













**CONFIDENTIAL.**

Report of the Administration of Lord Reading,  
Viceroy and Governor-General of India,  
1921—1926.

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**GENERAL SUMMARY.**

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J. COATMAN,  
DIRECTOR OF PUBLIC INFORMATION,  
GOVERNMENT OF INDIA.



SIMLA  
GOVERNMENT OF INDIA PRESS  
1927.



## INTRODUCTION.

### Lord Reading's Task.

The reformed constitution in India began its career with the opening of the Central Legislature by His Royal Highness the Duke of Connaught on February 9th, 1921. Lord Reading landed at Bombay on the 3rd April, 1921. Thus, practically, the beginning of Lord Reading's Viceroyalty coincides with the beginning of the new political era in India. Even with the most favourable possible combination of circumstances, both in India and elsewhere, the task confronting him would have been one of uncommon difficulty and magnitude, for he was called upon to start on its way not merely a new administrative system. His was the infinitely more difficult problem of transplanting an offshoot of the most developed and subtle political constitution in existence, to the alien and still only slightly prepared soil of India. Here it is unnecessary to touch upon the arguments for and against the introduction into India of advanced political institutions of a Western type, for the question has been settled once and for all. But it must not be overlooked that the *fait accompli* of the Reforms has not destroyed the conditions adverse to them which so exercised the minds of many who had the welfare of India at heart. The political, social, religious and cultural disunity of India could not be effaced by the passing of an Act of Parliament. In a word, the intrinsic difficulties of the problem of adapting India's new constitution to her existing conditions were such as to demand the highest qualities of statesmanship in the Viceroy whose task it was to grapple with them. Before ever the Reforms came into operation considerable opposition to them was displayed for different reasons by influential sections of both Indian and British opinion. The British opponents of the Reforms pointed, of course, to the notorious antagonism of the two chief communities of India, to her political disarticulation, to her numerous depressed classes, and to her general backwardness as compared with the country whose very highly developed political institutions she hoped eventually to receive. The reasons for the widespread opposition displayed to the Reforms by Indians are not so simply stated. There was, of course, the irreconcilable faction which would never have been satisfied with less than complete and immediate home rule for India. But that was only a tiny minority. A much wider circle, justly proud of the prowess of the Indian Army during the War, and deeply influenced by the prevailing talk about the natural right of all nations to self-determination, had expected something more spectacular than the provisions of the Act of 1919, for, of course, that Act, like all British constitutional documents, does not express its most important and far-reaching implications, but leaves them to be implied. Actually, of course, the germ of complete responsible Government is present in the 1919 Act, but this is so typically English a document that its scope and possibilities can only be perceived by those who have made a close study of the English constitution and English Parliamentary methods. It was only natural, therefore, that very many people in India, looking only to the mere wording of the Act, should feel that the labouring mountain had produced nothing more than a mouse.

But these intrinsic difficulties were mightily reinforced by a number of extrinsic difficulties which, in combination, not only menaced the progress of the Reformed constitution but even threatened the very existence in India of any stable form of Government. And, lastly, between August 1917 and April 1921 lay the events of the early summer of 1919 in the Punjab. These events were narrated in the Report of the Administration of Lord Chelmsford and there is no need to recount them here. But their results, particularly as manifested in the Non-co-operation movement, were to exercise a profound influence on the early part of Lord Reading's administration. Throughout 1920 this movement had grown in strength and had allied itself with the equally menacing Khilafat agitation. No previous Viceroy had even assumed office amid such unpromising circumstances, for the Non-cooperation movement and the Khilafat agitation were an assault directed against the very fabric of Government in India. They made a powerful appeal to ignorance and passion and they were not amenable to reason or to the logic of facts. They imposed an all but intolerable burden on the administration, and occasional lapses into anarchy here and there in India showed the terrible danger to which they exposed the whole country.

Even the Sikhs with their traditions of unswerving fidelity to the British Government had, just before Lord Reading's arrival in India, begun their Akali movement, which, during the next few years was to prove one of the greatest anxieties not only to the Punjab Government but also to the Government of India.

Naturally these violent convulsions throughout the country had a reflex in a general rise of crime, and the strain on the police from 1921 onwards was severe. The figures for crime began to swell in every province and those of the Punjab for 1921 are among the highest on record. Also, during the months which followed Lord Reading's assumption of office began to appear the first rifts in the spurious Hindu-Muslim entente which received its death-blow the next year. It will be seen, therefore that the internal condition of India at the beginning of Lord Reading's Viceroyalty was such as to cause him the gravest anxieties and to tax his powers to the utmost.

Another problem of the first magnitude whose solution is not yet visible, was coming prominently into notice again in 1921. This was the status of Indians in certain British dominions and colonies. The Kenya problem definitely raised its head in 1920 and the position of Indians in South Africa Uganda and Tanganyika was also unsatisfactory.

Again, the first budget of the reformed Government anticipated a serious deficit. Trade was depressed and the price of wheat soaring. The conditions of the country were such, through causes partly economic and partly political, that there was a complete stagnation of the ordinary activities of internal trade. Altogether the combination of circumstances in which Lord Reading began his Viceroyalty and the Reformed constitution began its career could hardly have been worse. The actual machinery of administration was badly in need of adjustment and repairs. Developmental work which had been shelved necessarily during the war had to be resumed or initiated. The conditions of service in the major Government services had to be brought into line with the great increase in the cost of living and the changed conditions generally, set up by the war, and the

members of the services had naturally not escaped the prevalent war weariness. These things, again, postulated heavy additions to a burden of work already immense.

Lastly, there were pressing questions to be solved in connection with foreign and frontier policy. The Anglo-Afghan negotiations were still proceeding and the treaty of peace between India and Afghanistan was not signed until the 22nd November, 1921. Along the whole of the North-West Frontier the situation was extremely delicate and in Waziristan it was definitely difficult. The problem of future frontier policy after the Afghan War of 1919 and the Waziristan operations which followed was, in fact, in the melting pot. The future status of India in the British Commonwealth and her international character had been brought into the forefront of discussion by the events of the few years immediately preceding 1921 and made formidable claims on the attention and statesmanship of the Viceroy.

Observers in England and elsewhere during the early years of Lord Reading's Viceroyalty, could, no doubt, form an intellectual conception of the magnitude of his task in all its amazing versatility, but only his officers in India, who, in their districts or their offices helped to take their part of the strain of Government, can really appreciate his difficulties during those days. Yet his Viceroyalty ends, with a storm-cloud lowering in the direction of South Africa, and with indications of domestic political squalls in the offing, it is true, but with the ship of state safely through the hurricane which beset her at its beginning, and already an appreciable distance along the course marked out for her, whose end is responsible Government for India.



## CHAPTER I.

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### THE REFORMS IN BEING.

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#### The Central Legislature.

Despite the vital importance and great interest of the administrative measures of the last five years, it will be generally conceded that historians of the future will judge Lord Reading's administration primarily by the progress made by the Reformed Constitution during this period. It will be better, therefore, to deal separately with the constitutional history of India between 1921 and 1926. This side of the Report falls naturally into two parts—the progress of the Reforms in the Central Legislature, and in the Provinces. The present moment is a very convenient time for such a survey, for it marks roughly the end of the first half of the first stage of the Reforms as contemplated by the Act of 1919. Already the life of one Legislative Assembly has been completed and that of the second is drawing to its end, whilst the period of the first Council of State expired at the end of the last summer. In his first speech to the Indian Legislature, Lord Reading emphasised the truth which certain members had shewn themselves apt to overlook, namely, that the value and character of a constitutional body cannot be gauged save by a reasonably long experience of its working. “ I am carefully watching and studying the working of this new machinery ”, he said, “ and I am satisfied that in the short space of time, in which it has already existed, you have not yet sufficiently tested its perfections, if you are ready to admit that it has any, also its imperfections which no doubt you have already to some extent discovered.”

The audience which he was addressing was composed of members of the Legislative Assembly and the Council of State who had been returned at elections held during the previous November. They represented only a part of Indian political opinion, for the Non-co-operators, in pursuance of their central doctrine, had stood aloof from the elections, and no Non-co-operators had, therefore, been returned. They even tried to make the holding of the elections impossible and the fact that there were any elected members of the legislature at all must be counted as the first victory of the new constitution. It is, perhaps, fortunate for the Reforms that the Non-co-operators did boycott the first elections, for in the prevailing temper of the country at the end of 1920 it is more than likely that they would have been returned in large numbers and would have been able to prevent the legislature from functioning. As it was, the Legislative Assembly, and still more the Council of State, by reason of the franchise of the latter and the classes which it represented, were largely composed of responsible men with a stake in the country, and a glance at the programme of the first session held in Delhi in February and March 1921, will show the danger to which the presence of the irresponsible and violently hostile Non-co-operators would have exposed the infant constitution. The debates on the administration of Martial Law in the Punjab, on the Esher Committee proposals regarding the Army in India, on the Press Act, the Nankana Sahib

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tragedy and on the Non-co-operation movement were all calculated to rouse angry passions, but the tone and temper of the Assembly in dealing with these controversial topics were praiseworthy in the extreme. Nowhere did the first Assembly show its true patriotism more clearly than in the debate on the budget, for here it can quite truly be said that the reforms might have been killed by unwise or intemperate action on the part of the Assembly. It was a deficit budget; and one, therefore, which called on the people of India for sacrifices in order to achieve financial stability. The Members of the Assembly could have flattered the mob and made themselves objects of popular eulogy by the easy process of refusing to pass the budget and throwing the onus of fresh taxation on the Government. Instead, they took the self-respecting and patriotic course of going into the budget on its merits and passing it, although by doing so they made themselves obnoxious to the majority of their excited and, for the time being, largely demoralized countrymen. Had they rejected the budget, the Viceroy, of course, would have had no alternative save to certify it, and that would have been taken as a final and convincing proof that the leaders of the Non-co-operators were right when they said that the new constitution differed only in appearance from the old bureaucratic administration which it had replaced.

The second session which began at Simla on the 1st of September, 1921, was the first meeting of the legislature in Lord Reading's Viceroyalty. Much had happened since the end of the previous session. The tremendous event of the Moplah rising in August had cast a shadow over all India, whilst the agitation of the Non-co-operators had increased in vehemence owing, possibly, to the realisation that the reformed legislature had worked more smoothly than had been expected. Lord Reading in his desire to give every possible chance for the atmosphere to improve, had agreed to grant an interview to Mr. Gandhi. At first the result seemed to be favourable. But later the Ali Brothers recanted the apology made at Mr. Gandhi's direction and they were arrested, tried and imprisoned and Mr. Gandhi had declared his intention of organising a boycott of the Prince of Wales' visit. It was in this atmosphere that the Viceroy had to open the legislature at Simla in September, 1921. In the speech with which he opened the session, while refusing to be pessimistic. (although, as has been shown, ample ground for pessimism existed), he dealt faithfully with the state of the country and, in particular with the terrible events of the Moplah rising, and he issued a weighty declaration of the determination of the Government of India to combat the rising force of anarchy to the full extent of its power. "There has been wild talk," he said, "of a general policy of disobedience to law, in some cases I regret to say accompanied by an open recognition that such a course must lead to disorder and bloodshed. Attempts have even been made by some fanatical followers of Islam to seduce His Majesty's soldiers and police from their allegiance—attempts that have, I am glad to say, met with no success. As head of the Government, however, I need not assure you that we shall not be deterred one hair's breadth from doing our duty." He concluded with an earnest appeal to the members of the Legislature to remember that they had duties outside as well as inside the Chamber. "I make an appeal to you", he said, "which I am confident, I shall not make in vain. Do not content yourselves with merely doing your duty in this Legislature, although I know it makes a great demand upon your time. It is essential that men like yourselves who are assisting Government by your advice, for Government is

always seeking knowledge, should go forth among the people not only at times of elections when constituents must always be remembered, but at other times."

The Assembly responded to the call. Government's policy, in dealing with the Moplah outbreak, was strongly supported and the proposed visit of the Prince of Wales was welcomed heartily. The work of the first Assembly had given ample proof that the scope of the new constitution was not going to be confined within the four corners of the 1919 Act but that, on the contrary, it was able to grow and was meant to grow, according to the favourable character of circumstances, the political capacity of Indians themselves and the experience which members of the Legislature acquired in its working. It was, for example, during this session of the Assembly at Simla that the effect of the establishment of the Standing Finance Committee was first clearly shown. The Standing Finance Committee, it must be remembered, is not a Statutory Committee, but owes its existence to the passing of a Resolution which was moved during the first session of the Assembly in Delhi in the previous February. This Committee was meant to advise the Government in financial matters and to be a link between non-official opinion and the Government benches. Its powers, moreover, can be increased as experience shows this to be desirable as the following example will show.

During the Delhi session of 1922, when the Finance Member moved for the election of members of this Committee on Public Accounts, a private member moved that the functions of the Finance Committee should be so defined as to include the scrutiny of all proposals for new votable expenditure, the sanction of allotments out of lump sum grants, and suggestions for retrenchments and economy in expenditure. This suggestion was adopted and the powers of the Standing Finance Committee were thus appreciably enlarged. The result is that the Government can, as a rule, count on the wholehearted support of the members of the Committee when financial proposals are before the Assembly. In the session under consideration the Government in putting forward supplementary grants, found themselves ably supported by the members of the Financial Committee. Curiously enough, however the Assembly's powers of the purse were exercised for the first time in this session and against a scheme warmly espoused by Mr. Hontagu. The grant for the Indian tour of Lord Lytton's Committee on Indian students in England was rejected, the members believing that the tour was unnecessary and that it had been proposed by the India Office without proper consultation with the Government of India. This decision was accepted not without a strong protest by the Secretary of State. Another extension of the Assembly's financial powers was made in the introduction of the Income-Tax Bill, which laid down the lines on which the collection of income-tax should be carried out, but left the imposition of any particular tax to come before the Legislature every year. The constitutional importance of this arrangement is, of course, at once apparent to every student of politics.

Very important, as a measure of the advance which India had made in the direction of autonomy, was the unanimous passing of a resolution for the removal of distinctions between the Indian and European members of the Indian Civil Service in regard to criminal jurisdiction over European British subjects and also between Indians and Europeans in regard to the mode of trial and sentence to be passed and the right of appeal. For

forty years this question had been a source of controversy between Englishmen and Indians in India, and the fierce controversy over the Ilbert Bill, in Lord Ripon's time, which sought to solve this very problem in a satisfactory manner, continued to re-echo down to our own day. It will be remembered that the Ilbert Bill had to be withdrawn in deference to the violent agitation raised against it by non-official Europeans. The difference between the fate of the Ilbert Bill and that of the resolution which we are now discussing is full of significance. As a result of the latter it was decided to appoint a committee to enquire into the whole question. That committee, presided over by Doctor (now Sir) Tej Bahadur Sapru, eventually produced a report which was embodied in legislation which came into force in September, 1923. Debates on this subject in the Assembly were notable for the absence of passion and for the spirit of reasonableness which prevailed. All through, members of the Assembly, both Indian and European, took scrupulous care to respect each other's feelings and each other's rights. Outside the Assembly there was a tacit acceptance of the fact that the Assembly's decision in the matter was to be final and that once the decision had been given, protest, and certainly anything like violence, would be utterly unavailing.

But not all the work of this session was constructive. To those who had followed the discussion both in England and in India, which preceded the Act of 1919 and who saw clearly that the constitutional advances contemplated therein had been extended to the limits of safety, it may seem strange that a body so predominantly conservative and enlightened as the first Assembly under the Reformed Constitution, should fail to realise that the circumstances of India, and most decidedly those circumstances as affected by the storm of agitation and crime of all sorts which was sweeping the country, rendered any further statutory advances towards responsible Government quite impossible for the present. Yet as early as September 1921, when the new constitution was only a few months old, a member of the Assembly moved the following Resolution:—

“ This Assembly recommends to the Governor-General in Council that he may be pleased to move the Secretary of State for India in Council for taking necessary steps for ensuring:—

- (1) the transfer, from the beginning of the next term of the Legislative Councils, of all provincial subjects to the administration of the Governor acting with Ministers ;
- (2) the transfer, from the beginning of the next term of the Legislative Assembly, from among the Central Subjects of all subjects except Army, Navy, and Foreign and Political Departments, to the administration of the Governor General acting with Ministers, provision being made for such constitutional changes as may be necessary in that behalf, on the lines of the provision for administration of transferred subjects of the Local Governments ; and
- (3) conferment from the beginning of the fourth term of the Legislative Assembly, of full Dominion Self-Government in India.

The speeches which were made indicated a wide divergence of opinion in the House. The supporters of the advance based their claims on the fact that the highest authorities including Lord Reading and Lord Chelmsford

had paid great tribute to the ability and the capacity of the Indian Legislature and contended that it would be politically unwise to miss the opportunity for keeping pace with the extraordinary strides India was now making. Sir William Vincent (Home Member) in opposing the motion observed that it was not consistent with the pronouncement of August 1917, the Government of India Act or with the Joint Committee's report. He asked the House as a practical body to consider whether after nine months of the working of the new Act, the British Parliament would agree to any change. Finally an amendment proposed by the Government was accepted as a reasonable solution compatible both with the wishes of the Assembly and the position of the Government of India. The motion, as amended, ran as follows:—

“ This Assembly recommends to the Governor General in Council that he should convey to the Secretary of State the view of this Assembly that the progress made by India on the path of responsible Government, warrants re-examination and revision of the present constitution at an earlier date than 1929.”

It is necessary to emphasise the very great importance of resolutions in the Legislative Assembly, for it is clear already that they are going to be one of the simplest and most effective means of developing the new constitution. They provide an easy and natural way of hammering out new policy and by their use the representatives of the people are able to induce the executive constantly to justify their action and modify their policy in details, and they are an excellent instrument for bringing the force of public opinion to bear on the Government. They reflect everything of importance which happens in India and they can be the means by which conventions may be established and the power of the Legislature increased in a safe and natural manner. An examination of them will show how faithfully they reflect the march of events and the changes of feeling in India, and that they are mostly introduced by non-official members. One Resolution during this Simla Session of 1921 moved by a private member was concerned with the re-constitution of the Provinces of India with a view to facilitate their constitutional development. A Resolution like this has, of course, immensely far-reaching implications, very few of which, it is probable, were present to the mover, yet this problem of the re-shaping of the political map of India is recognised in the 1919 Act as one which will probably have to be faced at some future time. It was in this 1921 session at Simla that the first attempt was made to form parties in the Assembly. The Democratic party came into existence and whips, office bearers and leaders were appointed. Of course, measured by English standards, these ‘ Democrats ’ lacked many of the marks of a true party. There was hardly any discipline among them and they had little or no support outside the walls of the Chamber. Still they formed a bloc which, with the help of other groups or sections, was able to make its opinion felt on more than one occasion.

Before the Assembly resumed its session at Delhi in January 1922 much had occurred. The Prince of Wales’ arrival at Bombay had been marred by murderous riots involving over fifty deaths and many injuries. The continuance of attempts to boycott functions connected with the visit of His Royal Highness, fatuous though they were, and, on the whole, powerless to stand in the way of the expression of the loyal feelings of the mass

of the people, necessitated preventive action against the non-co-operation "volunteers". Mr. Gandhi, professing to be shocked at the tragedy at Bombay while accepting responsibility for it, announced at Bardoli the suspension of his proposed campaign of "civil disobedience". The action taken by the Government caused uneasiness among the moderates whose sympathy with some of the leaders of the Non-co-operation movement was undoubted, although tinged by strong disapproval of their methods. In December, when the Prince of Wales was nearing Calcutta attempts were made to organise what was termed a "round table conference" to which Non-co-operators, moderates and representatives of the Government could be called in order to discuss the possibility of arranging a compromise. The Viceroy in response to the representations of a deputation proposing such a conference, affirmed his intention of maintaining law and order and insisted that a condition precedent to the discussion of any project of a conference was the discontinuance of the revolutionary activities of the followers of Mr. Gandhi. The refusal of Mr. Gandhi to comply with this condition disillusioned the moderates and at their Liberal Federation meeting at Allahabad shortly afterwards they emphasised their sympathy with the Government and endorsed the policy adopted by Lord Reading, while impressing on the authorities the need for the exercise of care in its execution.

In January, under the presidency of Sir Sankaran Nair and attended by Mr. Gandhi, a conference was held with the object of arranging a basis for the "round table conference", which had not materialized in December. Sir Sankaran Nair soon withdrew on finding that Mr. Gandhi was implacable and finally the conference was shown to be completely abortive when Mr. Gandhi issued an "ultimatum" to the Viceroy calling for the release of prisoners convicted for non-violent activities and declaring that he would be prepared to postpone "civil disobedience" until those offenders had been able to review the situation. The Government replied by warning Mr. Gandhi that mass civil disobedience would be sternly suppressed. This result of his manifesto was perhaps not unexpected but Mr. Gandhi's real disappointment lay in his utter failure to detach the moderates from their support of the Government and the subsequent addition of the Chauri Chaura horrors to the long line of tragedies following the train of his campaign proved still more disastrous to his plans. The Legislative Assembly resumed its session at Delhi on the 10th of January 1922. On the 18th it was able to discuss the policy of the Government in dealing with the non-co-operators. A resolution was moved calling upon Government to abandon their "repressive" policy. In this debate the Democratic Party for the first time showed its solidarity, for, although the mover did not formally claim adhesion to that party, it decided to give him its support, while the National Party, which in debates to come not infrequently threw in its lot with the Democrats, definitely sided with the Government, Mr. Jamnadas Dwarkadas, Sir Sivaswamy Aiyer and Mr. Samarth all making speeches strongly condemning the activities of the Non-co-operators. The discussion was of seven hours' duration and from the standpoint of length, was perhaps the most important that had hitherto taken place in the Assembly. The supporters of the resolution condemned the lawless outbreaks resulting from the non-co-operation campaign but they expressed the view that the Government, by their policy were inflaming the agitators. The fact that

well-known Congress politicians had been arrested clearly depressed certain members. However the Home Member (Sir William Vincent) graphically described the series of disorders which had occurred during the last year owing to Mr. Gandhi's movement and the Government were able to secure respectively majorities of 16 and 20 against a milder version of the resolution and against the resolution itself.

Later in the session a motion for the release of the Ali Brothers was decisively defeated. The Home Member, in replying on behalf of the Government, gave a detailed account from the evidence in his possession of the manner in which since 1911 the two brothers had been consistently hostile to the British Government. In concluding a powerful speech Sir William Vincent spoke as follows :—

“ Sir, when I think of the treasonable practices of these two men during the great war, when the fate of the whole empire was in the balance, when I think of the secret support and encouragement which they gave to the King's enemies when hundreds of thousands of British and Indian soldiers were daily risking their lives, many alas ! making the great sacrifice, when I think of those unfortunate Mahajarin, whose white bones are strewn up the Khyber and on the way to Kabul, who were induced to migrate by these two gentlemen and their followers, men who themselves never did a Hijrat further than Paris and London, when I think of the money extracted from poor Muhammadans in this country much of which has been squandered in various ways in Europe and elsewhere, when I think lastly of the many Hindus dishonoured and killed in Malabar and of the thousands of Moplahs misled and driven to death and ruined by the incitements of Mohamed Ali, Shaukat Ali, and those who think like them, then, Sir, in truth, I marvel at the simplicity and the crass folly of the Muslim population that submits to such treatments and accepts such men as leaders, but I marvel more at the temerity of the Honourable Member who proposed to an Assembly such as the present, an Assembly of intelligent men who understand facts, that men of this class, traitors to their country and traitors to their King, should be treated with any consideration.”

Although the resolution had received the support of some Muhammadan clearly emphasized. It is not, I think, too much to say that during these and the resolution was declared to have been unanimously defeated.

The truly vast importance of the fate of these two resolutions is to be clearly emphasized. It is not, I think, too much to say that during these months the Indian Government was fighting for its life, and ahead lay days and problems quite as difficult and dangerous as those already experienced. The non-co-operators were making a strenuous effort for sympathy and support not only in India but in England and in foreign countries. Every necessary and wholly justifiable action which the Government took for its own preservation and for safeguarding the welfare of its subjects was condemned as an act of wanton tyranny and repression and nothing that perverted ingenuity could do to malign the action of officials and their supporters was left undone. The action of the Assembly over these two resolutions was a strong counter-move to this lying propaganda, for it showed that the Government had the majority of the Assembly at its back, and

Assembly, it must be remembered, which represented the most responsible and enlightened part of Indian opinion. In a word, Lord Reading and his Government received moral support of a valuable kind when the value of such support was quite literally incalculable.

The Assembly in this period before the introduction of the budget, was called upon to discuss various important matters. In February the position of the Secretary of State who had been the joint-author of the report which had laid the foundation of the new constitution, was considered to be in political danger. It was known that a vote of censure on his department was on the 14th February to be moved in the House of Commons. On the preceding day, therefore, the non-official members persuaded the Government to send on their behalf a cabled message of confidence in Mr. Montagu. A month later, when, almost coincident with Mr. Gandhi's arrest, Mr. Montagu's resignation in sensational circumstances was announced, the Assembly adopted a resolution expressing its deep regret and conveying its gratitude for the policy which he had pursued. The resignation itself was, perhaps, overshadowed by the attendant revelations and speakers in the debate were obviously disconcerted by the discovery that the new constitution did not go as far as they had imagined and that the Government of India, through the Secretary of State, were responsible to the British Parliament and to no other.

It is important to note this development for it coloured the outlook of the Assembly from that time onward although any other constitutional theory conflicted with the whole intention of the Government of India Act, and, indeed, with the tenor of Mr. Montagu's speech in the censure debate already mentioned. The attitude thus revealed may be described as that of dissatisfaction with the scope of the reforms. It had already been given expression in the debate at Simla on the demand for a further constitutional advance and in February it had again appeared in the practical unanimity of European and Indian non-official members who demanded the removal of the distinction between votable and non-votable items in the budget and thus sought to extend the powers of the legislature.

The Assembly gained a distinct victory in carrying without a division a motion for the appointment of a committee to report on the possibility of effecting economy in the expenditure of the Central Government. The eventual outcome of this decision was the appointment by the Government of the Incheape Committee, which in 1923, effected drastic retrenchment in all departments. The question of the "Indianization" of the administration came before the Assembly in several forms. A member was able to persuade the chamber to adopt a motion for the appointment of standing committees elected by the members of the Legislature to be associated with the different departments of the Government of India other than the Army and Foreign and Political Departments. Mr. Jamnadas Dwarkadas moved a resolution laying down that recruitment for the All-India Services, except those of a technical character, should be made in India. The importance of this resolution lay not so much in the debate itself as in the events to which it gave rise. The Assembly accepted a Government amendment that enquiries should be made from the Provincial Governments on the measures possible for the increased recruitment of Indians for the Services. In fulfilment of this proposal the O'Donnell circular was issued by the Government of India and this formed one of the incidents leading up to the appointment by the British

Government of the Royal Commission under the chairmanship of Lord Lee of Fareham.

Other Indianizing resolutions included one recommending that a committee be appointed to consider the measures which should be taken to establish a Nautical College in Indian waters, the training of Indians for the higher ranks of the Royal Indian Marine and the fostering of an Indian Mercantile Marine by a system of bounties. The Viceroy's announcement at the opening of the Council of State on February 9, 1926, of the forthcoming creation of an Indian Navy has immensely gratified all who dream of a future for Indian seamen on blue water. The Assembly also carried a motion for the grant of Rs. 6 lakhs from the Central Revenues for the training of Indian and Anglo-Indian youths in various technical subjects at institutions overseas.

The same line of thought was to be detected in the proposal by Sir Vithaldas Thackersey—a member of ripe commercial experience—that a committee of the Legislature should consider the steps to be taken to encourage the establishment of industries so that as much as possible of the Rs. 150 crores set apart for the rehabilitation of railways in India during the next five years could be spent in the country. This proposal the Government accepted. Strong nationalist tendencies found further expression in the discussion of the Kenya question which had again assumed importance by reason of a speech made by Mr. Winston Churchill, then Colonial Secretary. The Assembly carried a resolution which the Government accepted declaring that failure to meet the lawful claims of Indians in Kenya would be regarded as a violation of the rights of Indians to citizenship of the Empire as affirmed by the Imperial Conference in 1921.

The Budget was the subject alike of very careful scrutiny and very lively debates. Sir Malcolm Hailey introduced the budget for 1922-23 on the 1st March. He announced that the deficit amounted to 34 crores in the past year and was due to a fall of over 20 crores in revenue and to the excess of over 14 crores in expenditure. The excess in expenditure was mainly due to interest, military operations in Waziristan and to the loss in exchange. In the new budget, proposals to meet the deficit included 25 per cent. increase in railway passenger fares ; the raising of postage rates ; of the general *ad valorem* customs duty from 11 to 15 per cent., of the cotton excise duty from  $3\frac{1}{2}$  to  $7\frac{1}{2}$  per cent. and of the duty on sugar from 15 to 25 per cent. ; a tax of 5 per cent. on imported yarns ; rise in the duty from  $2\frac{1}{2}$  to 10 per cent. on machinery, iron, steel and railway material ; raising the existing duty on alcoholic liquors except wines and denatured spirit by approximately 20 per cent. the doubling of the duty on matches and salt and the levying of 30 per cent. instead of 20 per cent. on articles of luxury. It was also proposed to raise the income tax and super-tax, the former on annual incomes above Rs. 30,000 leading to a maximum of 18 pies and a graduated increase in super-tax on incomes of over 4 lacs bringing the maximum to six annas on the portions over  $5\frac{1}{2}$  lacs. The new taxation was expected to yield 29 crores leaving an uncovered deficit of nearly 3 crores. Sir Malcolm Hailey emphasized that all the proposals for new expenditure had been enormously curtailed. He attributed India's trouble to world causes and he contended that it was impossible to have foreseen the depths which the depression



of trade had reached. The only solution, the Finance Member observed, was to make the revenue meet the expenditure as India could not afford to falter in applying this obvious and inevitable remedy. Dealing with capital expenditure in the ensuing year Sir Malcolm Hailey said that the Government's total liabilities under Ways and Means, including provincial drawings and loans and discharge of debt, would amount to 58 crores (including 30 crores for railway capital expenditure) which would be met by borrowing, *i.e.*, 25 crores in rupees and 17½ million in sterling.

The general discussion on the budget took place on the 6th and 7th March. It revealed remarkable unanimity among the non-official European and Indian members of the Assembly in the critical review to which the financial statement was subjected. Only two official members from Bombay and Madras spoke in defence of the Finance Member. The European point of view was put forward by Messrs. Lindsay and Spence. The former characterized the budget as most deplorable and the latter as a budget of tears. Mr. Lindsay suggested the raising of revenue by the issue of premium bonds and preferred to leave uncovered a greater deficit than suggested by the Finance Member, rather than agree to the imposition of fresh taxation which, he said, would add fuel to the smouldering fire of non-co-operation and give it a fresh lease of life. Both he and Mr. Spence urged a tax on the import of real luxuries, gold and silver. Twelve Indian members took part in the discussion, six of whom represented the considered views of the democratic party. They declared that the Government policy alone was responsible for the appalling deficit and it must take the sole responsibility for finding the money to cover it. They would not be a party to a crushing burden on the poor taxpayer unless they were assured of heavy retrenchment and the expenditure, particularly the military expenditure came in for very severe criticism and a demand was made for greater elimination of the costly British soldier. Three Bombay Members delivered bitter attacks on the proposals for the enhancement of the duty on cotton excise and machinery and declared that it was Lancashire and not the Assembly that was dictating India's fiscal policy. In no other country, it was said, could such a thing be possible. The Government, it was contended, was making the Reforms a failure and was co-operating with the non-co-operators. Strong objection was also taken to the duty on salt and passenger fares. Mr. Samarth urged the early stoppage of recruitment in England for the Imperial Services in India, as the only way for economy and Dr. Gour pointed to the decision of the Brussels conference, to which the Government of India was a party, and emphasized that unless the proposed Retrenchment Committee was given adequate powers over both civil and military departments it would serve no useful purpose. Sir Montagu Webb held high prices responsible for the increase in the cost of administration; and although he had disagreed with the Government's exchange policy in the past he thought that the deficit was inevitable and the safest way of covering it was by means of additional revenue. He demanded that the Military expenditure be cut down to 56 crores and that the import duty on silver be restored. He urged that the Government's motto should be not to raise the revenue to meet the expenditure, but to cut down the expenditure to the level of the revenue.

The Commander-in-Chief declared that he had made every possible endeavour to cut down the expenses of the army but owing to unforeseen and unforeseeable conditions such as the rise in the prices of food and clothing and of other military necessities of troops which had been so frequently called out to quell civil disturbances or riots, the economies which he would otherwise have been able to effect in the reduction of the military works programme, in the charges for the Army Headquarters staff and the reorganisation of artillery and cavalry had been completely swallowed up. In fact, His Excellency remarked, that owing to the financial stringency and in order to keep down the expenses he had to defer for the next 12 months heavy and urgent purchases of modern weapons of warfare relying upon which he had already reduced the army to 29,000 below the pre-war standard. Any further substantial reduction in the army budget could not be made without reducing the fighting strength. And in view of the present unrest and the wave of seditious propaganda in the country it was the considered and definite opinion of the Commander-in-Chief that at present no reduction could be made in the fighting forces. Referring to the treaty of friendship with Afghanistan His Excellency thought that it would be unwise to reduce the field troops on its basis when the ink of the treaty was scarcely dry. The occupation of Waziristan was unfortunately costing heavily, in men and money, but there was no better way of protecting their peaceful subjects on the border from murderous raids of turbulent Mahsuds. He emphatically repudiated the suggestion of the bogey of control by the War Office, adding "I am your servant and your military adviser and I won't tolerate the interference of the War Office." Alluding to the Indianisation of the Army, His Excellency said that satisfactory progress was being made regarding the territorial force and a scheme had been drawn up for the gradual elimination of the British officers of the Indian Army. But in view of the necessity of education and long training to fit the Indians to officer their armies any advance must necessarily be slow. After referring to the efforts which were being made in that direction, the Commander-in-Chief said that some keen politicians, not content with the march of events, desired to run and to fly but if India was to attain Dominion Status complete elimination of the British element would take several generations. In concluding his speech, Lord Rawlinson warned the House against the dangers of gambling with the efficiency of the army and added that the present situation was causing grave anxiety and he feared that the power of the Government to maintain law and order was being severely tested. Several non-officials who followed the Commander-in-Chief took strong objection to his announcement that several generations would pass before all the services were Indianised. Sir Godfrey Fell strongly replied to the attacks on the Military Administration. He said that the Military Budget was based on an army of the size and strength fixed by the Government of India on the advice of the Commander-in-Chief and with the approval of the Imperial Government. Every effort had been made and was being made to keep the cost down to the minimum and no further reductions could be made in the budgeted estimates.

Sir Malcolm Hailey in winding up the debate pointed out that successive deficits during past years were not due to extravagance on the part of the Government. He did not regard the alternative proposals

for taxation as helpful and preferred to stick to his own. He strongly repudiated the suggestion that the excise cotton duty had been enhanced as a result of outside influence and asserted that in making their proposals he and his colleagues had had no other desires than that of making their Budget square and of raising as much money as they could from any source that seemed to them reasonable. The Finance Member said that he would not have agreed to tax machinery but for the fact that, as compared with last year, the prices of machinery had been very substantially reduced. Coming to the Military Budget he declared that the decision of the Government regarding military expenditure represented the considered opinion of the Government of India. No reduction could be made in the Military estimates this year. Replying to the threat of refusing to pass the Finance Bill Sir Malcolm Hailey asked the House if it was going to take a step which would add to the ranks of those who declare that the people of India never were and never would be capable of working the reformed constitution leading to full responsible government.

The Council of State took up the general discussion on the Budget on the 8th March and concluded it the same day. Both the official and the non-official speeches more or less reflected the views which had previously been expressed in the Legislative Assembly except for some difference in the alternative proposals for taxation.

When the demands came up for consideration in the Legislative Assembly, reductions amounting to nearly 96 lakhs of rupees were made.

The Finance Bill came up before the Assembly on the 20th March. Sir Sivaswamy Ayyar made a long speech in which he indicated that even if no reduction of the fighting strength of the Army was contemplated, there was a possibility of effecting a saving of about 6 crores in the cost of ancillary services. He tried to show that they were entangled in a vicious circle and the only solution, was to reduce the military estimates and to proceed with Indianisation in the Army. Sir Malcolm Hailey expressed the hope that the proposed Retrenchment Committee would go into both civil and military expenditure and he trusted that it would be so authoritative in personnel that its opinion and decision would be accepted by the Government, the House and the Country.

The main changes made in the Finance Bill by the Legislative Assembly may be summarised as follows :—

- (i) Clause 2 of the original Bill was amended and the salt duty retained at the existing rate Rs. 1-4-0 per maund instead of being raised, as was originally proposed, to Rs. 2-8-0 per maund.
- (ii) Clause 4 of the original Bill was omitted and the cotton excise duty retained at 3½ per cent.
- (iii) The Schedule which was to be substituted in the Indian Tariff Act, 1894, was amended so as to retain the existing duty on machinery (2½ per cent.) and that on cotton piecegoods (11 per cent).
- (iv) A new clause was added providing for an amendment of section 13 (3) of the Indian Paper Currency (Amendment) Act of 1920, which would have the effect of removing, for two years from 1st April 1921, the obligation to utilise the interest derived from securities in the Paper Currency Reserve

in cancelling, under certain circumstances, such securities, so that it would be available as an item of ordinary revenue.

The net result of the changes (i), (ii) and (iii) above was to reduce the estimated revenue by 956 lakhs and in addition there would be a further loss of 85 lakhs collected in March on the basis of the original proposals which would have to be refunded. On the other hand the result of change (iv) was to add 3.02 lakhs to the general revenues.

The total uncovered deficit was, therefore, anticipated to be about 916 lakhs.

After three days' discussion the Legislative Assembly passed the Finance Bill on the 22nd March and the Council of State passed it without amendment, in the form in which it had emerged from the Assembly, on the 24th.

This budget debate has been discussed at length because of its very great constitutional importance. It shows how the Assembly can make felt its influence over even the most sacrosanct item of expenditure in India, and it shows that the reformed constitution is a fruitful breeding ground of conventions. The result of the tug-of-war described above was a compromise between Government and its critics according to which the Army estimates were reduced and the taxation proposals curtailed.

A survey of the bills which came up before the Assembly and the Council of State will reveal both the quantity and the quality of the Legislative work done in Delhi. The two most important bills which were passed into law were : one giving effect to the unanimous recommendations of the Repressive Laws Committee for the total repeal of part of the Criminal Law Amendment Act, 1908, and certain special enactments supplementing the ordinary criminal law, and the other to repeal the Indian Press Act, 1910, and Newspapers Incitement to Offences Act, and providing *inter alia* for the liability of the editor for matter published in the paper. Thus, within a year of its inauguration, the new Legislature has helped to remove from the statute book enactments which had been the subject of the severest criticism for over a decade.

A Bill of no less importance, which was referred to a Select Committee this session, was the one introduced by Sir William Vincent to provide a penalty for spreading disaffection among the Police and for kindred offences. It was intended to stop open attempts to spread disaffection among the Police and was modelled almost verbatim on an English Act of 1919 dealing with the same subject. The existing law was inadequate to combat the efforts of ill disposed persons in these directions and additional means to punish the crime were considered necessary. It was, therefore, proposed that any person tampering with the Police should be punished with imprisonment which might extend to two years or with fine which might extend to Rs. 1,000 or with both. The penalties contained in the original draft of the Bill were cut down by the Assembly and the Council of State, but the Bill eventually passed both houses.

The next session of the Legislature opened at Simla on the 5th of September, 1922. In the interval Mr. Lloyd George's famous "steel frame" speech on the Indian Civil Service had given rise to considerable misconception in India. Already Lord Reading had been able to announce in reply to a deputation that he had received from Mr. Lloyd

George a strong repudiation of any change of policy from that laid down in the 1919 Act, and in his inaugural speech to the Legislature he was at pains to develop this subject. "I prefer to use this opportunity", said His Excellency "to consider with you matters of wider import to India and her future, which I know are seriously engaging your thoughts and forming the subject of your discussions. I would ask you to keep in mind that I came to India immediately after the initiation of the Reformed Constitution and that I was consequently entrusted with additional responsibilities which had not been laid upon my predecessors. A solemn declaration of policy had been made by His Majesty's Government, the necessary legislation had been passed, and, be it observed, not by one political party, but with the assent of all political parties in England. I came charged with the task of helping to guide India along the road of constitutional progress to the ultimate realisation of her aims in accordance with the declaration of 1917 and His Majesty's proclamation, and under the special directions of His Majesty the King-Emperor contained in the Instrument of Instructions issued to me with my Warrant of Appointment as appears from the following paragraph: "For above all things it is Our will and pleasure that the plans laid by Our Parliament for the progressive realisation of responsible government in British India as an integral part of Our Empire may come to fruition, to the end that British India may attain its due place among Our Dominions. Therefore, We do charge Our said Governor General by the means aforesaid and by all other means which may to him seem fit to guide the course of Our subjects in India whose governance we have committed to his charge so that, subject on the one hand always to the determination of Our Parliament, and, on the other hand, to the co-operation of those on whom new opportunities of service have been conferred, progress towards such realisation may ever advance to the benefit of all Our subjects in India." That policy remains unchanged, and if any shadow of doubt upon this subject lingered in the minds of any one it should be removed by the statement the Prime Minister recently authorised me to make and which I communicated to the deputation that waited upon me a short time ago. The Prime Minister speaks with the highest authority, for not only is he Prime Minister and the head of His Majesty's Government, and responsible for its policy, but he is the Prime Minister who presided over the Councils of His Majesty's Government when the declaration of 1917 was made and was responsible to Parliament when the Government of India Act, 1919, was introduced and passed."

"It is now nearly eighteen months since I arrived in India and assumed the responsibility of my high office, and I need not say that I have watched with a keen and deep interest the progress made by this Legislature and the Legislative Councils in the Local Governments. Almost from the first moment of my arrival I observed that agitation was proceeding with a view to obtaining an immediate or almost immediate extension of the powers given under the new Constitution, which had then been but a few months in operation. As time progressed I learnt that there was an element of doubt, and even suspicion, regarding the intentions of His Majesty's Government to fulfil the promises they had made. It seemed difficult to understand that doubt should be entertained regarding promises solemnly made and deliberately expressed in formal documents. I have searched for grounds for these doubts and suspicions and have failed to find any reasonable basis for them. There is no promise

that has been broken ; there is no pledge that has been violated either by His Majesty's Government or my Government. Within the short period that has elapsed both His Majesty's Government and the Government of India have acted in accordance with the promises and pledges given. Why then is there this doubt ? I cannot but think that in the natural desire of India for progress, attention has been too much concentrated upon the promises to India, while perhaps insufficient regard has been paid to the language both of the declaration and the preamble to the Statute. It is there stated that the goal is the increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realisation of responsible government within the Empire. Advance is to be by stages. The time and manner of advance are to be judged by the British Parliament. Their judgment is to depend on the co-operation of the people of India and the development of their sense of responsibility. This is the foundation upon which the future progress of India is to be built. The eventual completion of the structure will take place when the British Parliament is satisfied respecting the essential consideration above stated. I am putting the position very plainly to you, I feel it is right that I should. You will remember, I trust, that I am speaking in the interests of India of which I am the present custodian subject always to responsibility to His Majesty's Government and the British Parliament. Be assured that I am not the less in sympathy with the national aspirations of India because I survey the situation as I necessarily must, with a knowledge that India's future progress depends both as to time and manner of advance upon the goodwill of the British Parliament."

Important debates on the Prime Minister's speech took place in both the Council of State and Legislative Assembly. The following Resolution being moved in each of the two Houses :—

" This Council recommends to the Governor General in Council that he may be pleased to convey to the Secretary of State for India and, through him, to the Government of His Imperial Majesty an expression of the keen sense of apprehension and disappointment created in the public mind in India by the pronouncement of the Prime Minister, in the House of Commons, regarding the present situation and the political future of this country." The resolution was finally carried in the Assembly by 48 votes against 34 in the following form :—

" That this Assembly recommends to the Governor General in Council that he may be pleased to convey the message from this Assembly to His Majesty's Government through the Secretary of State for India, that it views with grave concern the pronouncement made by His Majesty's Prime Minister to the House of Commons on the 2nd August 1922 and it considers that the tenor of the whole speech and the sentiments therein are in conflict with the declaration made by His Majesty and His Majesty's responsible Ministers and that it is calculated to create serious apprehension in the minds of this Assembly and of the people of this country both in the matter of attaining Swaraj and of the Indianisation of its Service."

In the Council of State, on the other hand, the resolution was lost without being pressed to a division, and a significant feature of the debate in the Upper House was the opposition which the resolution met from important non-official members.

Although the Prime Minister's speech was the most important topic for the public during this session, a subject of much real importance to the Indian constitution was debated in the Legislative Assembly on a resolution asking for a reduction in the contributions of the Provincial Governments to the Central Exchequer. A member moved that the present total provincial contributions to the Central Exchequer should be reduced by two crores of rupees, the benefit of such reduction to be given immediately to the Provinces of Madras, the United Provinces and the Punjab. In the course of the debate which followed, an effort was made to bring some of the other provinces within the resolution ; and the appointment of a Royal Commission to re-examine the question of the allocation of revenues was also advocated. The mover received support from official and non-official members from the three Provinces which were to be benefited. Sir Malcolm Hailey admitted that the Meston settlement had broken down in the case of both Central and Provincial Governments because of economic factors, but he maintained that the Central Revenues had suffered in a more serious degree. The fact was that the Provinces wanted more money ; but the crux was where that money was to come from, unless the Assembly provided it by additional taxation. But if an examination took place, Sir Malcolm apprehended, the Provinces might have to make good 20 crores rather than 9 crores, a result which would do the Provinces more harm than good. The resolution was rejected by the House by 48 votes against 38.

Another resolution of no small political importance was moved in the Council of State by Mr. Sethna, who had demanded that in view of the serious financial condition of India the number of Executive Councillors and the Ministers in the Provinces should not exceed two, but, after explanation of the constitutional position by the Secretary in the Home Department the resolution was withdrawn. Other resolutions concerning electoral rolls, land-holders' constituencies and the association of standing committees of the Assembly with the various departments of the Government of India all showed the sound and active interest which the members of the Assembly were taking in the development of the constitutional machinery.

The end of the session saw the first constitutional crisis which had arisen since the inauguration of the Reformed Legislature. On September 23rd Sir William Vincent, the Home Member, moved for leave : " To introduce a Bill to prevent the dissemination by means of books, newspapers and other documents of matter calculated to bring into hatred or contempt, or to excite disaffection against Princes or Chiefs of States in India or the Governments or administrations established in such States ". The Assembly, however, undoubtedly voicing the general trend of a part of educated opinion in British India, refused leave to introduce the Bill by 45 votes to 41. Lord Reading then had no choice but to certify the Bill, for in the opinion of the Indian Government this measure became necessary after the repeal of the Press Laws on account of the treatise existing with the Indian States. It may be mentioned that the Committee appointed to consider the Press Laws of British India had found it necessary to recommend legislation of this particular character. A meeting of the Chamber of Princes having requested special protection for the Indian States to replace that taken from them by the repeal of the

relevant provision in the Press Act, the Indian Government considered that they were pledged in honour to accord it and the refusal of the Assembly to do this provided the occasion for the first exercise by the Governor General of the extraordinary powers allotted to him by the Government of India Act. On September 25th Lord Reading sent a message to the Council of State declaring that whereas the Legislative Assembly had refused leave to introduce the Bill, he, in the exercise of his constitutional powers under sub-section (1) of section 67-B of the Government of India Act certified the said Bill to be essential for the interests of British India and he recommended the Council of State to pass the Bill in the form presented. The next day the Political Secretary to the Government of India moved : " That the Bill be taken into consideration ". He told the Council of State that offenders under the Bill would be liable to punishment, that adequate protection would be given by the Bill to legitimate critics of the administration of Indian States and that no prosecution could take place except by the explicit authority of the Governor General in Council.

The speech made an obvious impression in the Council of State. The only effective argument brought forward against the course adopted by the Government was the suggestion that if the Princes had survived for 56 years during the 19th century without special protection they could not suffer much harm if the passage of the measure were delayed in order to see whether a *modus vivendi* could not be found without resort to the special constitutional powers of the Viceroy.

The Legislative work in this session was exceedingly heavy and comprehensive ranging from bills which aimed at amending the law relating to the right of hereditary Hindu Priests, to Bills dealing with workmen's compensation.

The next session of the Legislative Assembly began at Delhi on the 15th of January 1923. The programme to be faced by the members was a very heavy one and, in the event, these last sittings at Delhi proved productive of much important legislation and of vital political decisions. It was generally agreed that the great task was that of balancing the budget, for another deficit was recognised as inevitable. The presence of the Incheape Committee busily engaged in examining the expenditure of the Central Government had the effect of staving off apprehension. The feeling was that Lord Incheape and his colleagues would be able to wield their axe in such a way that no additional taxation would be necessary. This optimism turned out to be not entirely justified, although there was no lack of incisiveness about the Retrenchment Committee's proposals and the steps taken to balance the budget evoked what perhaps was the most serious political crisis since the Assembly came into being. This will be described later. A very large number of the sittings during the first two months were occupied in the consideration of the massive bill to amend the Code of Criminal Procedure which had been on the stocks since 1914 and had passed the Council of State. This Bill provided a valuable guide to the attitude of the Assembly on matters affecting the maintenance of law and order. It contained 159 clauses affecting parts of most chapters of the Code which intimately concerns the life of the people in a sphere peculiarly fami-



har to lawyers. The criticisms and amendments were therefore numerous and the discussions often lengthy. A large number of amendments were made by the Assembly with the object, in the main, of safeguarding the accused person against unwarrantable action on the part of the executive.

The resolutions discussed by the Assembly during this session produced some decisions of a far-reaching character. Mr. Jamnadas Dwarakadas's motion declaring in favour of a policy of Protection for India was the subject of a remarkable debate. The Government put forward an alternative motion, accepting the principle of Protection but declaring that it should be applied with discrimination and recommending the appointment of a Tariff Board for one year to investigate the question in a purely advisory capacity. This alternative was accepted unanimously and it was evident that the policy of "high" Protection was not as generally approved as had been expected.

In the debate on the question of railway management the Government were not as successful in obtaining the Assembly's assent to a middle course. A recommendation that the East Indian Railway and the Great Indian Peninsula Railway should at the termination of their contracts in 1924 and 1925 respectively be taken over under State-management was adopted.

On a resolution on the Indianisation of the King's Commissioned ranks of the Indian Army the Commander-in-Chief made the statement that it had been decided to set apart eight units, mainly infantry but with a proportion of cavalry, to be entirely officered by Indians under a progressive scheme whereby the junior ranks would be immediately filled by Indians with King's Commissions and no further appointments of British officers to those units would be made. This momentous announcement was received by the Assembly with modified satisfaction. The speeches made showed that there was a feeling that the process of Indianisation under the scheme would be unduly slow but the Government were successful in defeating the resolution which in effect demanded the immediate cessation of the appointment of British Officers to all units of the Indian Army.

A similar vein of thought was to be detected in a motion advocating the stoppage of further recruitment outside India for the public services but providing for the engagement of "foreign experts on special terms when necessity arises". Before this resolution could be moved the decision to appoint a Public Services Commission had been announced. The Assembly had expressed its disapproval of that decision, carrying a motion of adjournment against the Government without a division and during the budget discussions it rejected by a narrow majority the demand for a grant of Rs. 3 lacs to cover the cost of the Commission. Nevertheless it was recognised that Mr. Venkatapatiraju's motion could not be discussed with advantage in view of the impending visit of the Commission and the debate thereon was adjourned, on the suggestion of the Home Member, Sir Malcolm Hailey, who had succeeded Sir William Vincent as Home Member and had handed over the Finance portfolio to Sir Basil Blackett.

Whilst the Assembly thus continued to show its anxiety for the more rapid Indianisation of the services it gave closer attention to the question of communal representation in those services. Motions to import the communal factor into appointments to the Indian Civil Service and to all offices under the Government of India were keenly debated. The former was defeated by 48 votes to 27, mainly as the result of a remarkable speech by Sir Malcolm Hailey, and the latter was carried in an amended form which softened the appeal to communal prejudice by laying down the negative proposition that steps should be taken to secure that the services were not overweighted by undue representation of any community or province. In its handling of this problem the Assembly showed itself keenly alive to the unwisdom of encouraging communal differences, but the formation of a "unionist" party during the session to voice the views of "Minority" communities reflected the increased communal tension which had become apparent outside during the preceding twelve months.

The question of the status of Indians abroad, more particularly in Kenya colony, became a subject of the first importance during this session, but the whole question of Indian emigration will be discussed later.

Resolutions regarding the modification of rules of business for the Council of State and the Legislative Assembly, for the modification of electoral rules and for the eligibility of political offenders for election to any legislative body constituted under the Government of India Act, all moved in the Council of State showed that the latter body was no less interested in matters relating to Indian constitutional development than was the Legislative Assembly.

The presentation of the last Budget to be reconsidered by the first Reformed Assembly was an event of special interest, for like the Bill for the Protection of Princes, it was a constitutional issue of very great importance and called for the exercise of the extraordinary powers given to the Viceroy by the Act of 1919. The fight over the enhancement of salt tax which this budget sought to impose is an oftentold story and need only be referred to very briefly. It will be remembered that India had suffered from a series of deficits since the war and that after a searching examination of the taxation schedule the Government of India had decided that the salt tax offered by far the best solution of the financial difficulties. A balanced budget is, perhaps, more important to India than to any other country, for here, in addition to the usual financial and economic considerations involved, the progress of the Reforms and, therefore, the whole future of India depends very largely on the financial position. As we shall see later on, one of the chief obstacles to the working of the Reforms in the Provinces has been financial stringency. Under the Meston Award all the provinces have to make an annual contribution to the revenues of the Central Government and the final remission of this contribution is the object of burning desire on their part. But, clearly, the consummation of this desire depends on the financial position of the Central Government which by balancing its budget could look forward to remitting eventually the contributions from the Provinces and thus given a vast impetus to the progress of the Reforms. Thus, the issue

was of truly immense importance to India and as the incidence of the tax itself would be hardly perceptible, the Viceroy, fortified by the support of the Council of State, certified the tax after its reduction in spite of repeated and unanswerable appeals to the Legislative Assembly which, from first to last, put forward no reasonable counter-proposal.

The echoes of this controversy are to be heard very distinctly during the next session of the Assembly which began in Simla on the 2nd of July 1923—the last session of the first Legislative Assembly which had been returned at the elections of November 1920. The second resolution moved on the first day devoted to such business arose out of the disappointment which the Legislative Assembly had felt at the imposition, against its wishes, of the salt tax. On the 4th July a non-official member moved that : “ This Assembly recommends to the Governor-General in Council that he may be pleased to take the necessary steps to get section 67-B of the Government of India Act amended so as to provide that the Governor-General shall not use his special emergency powers of certification under section 67-B to overrule the decision of the Indian Legislative Assembly ”. The mover complained that the rights conferred on the legislature under the Government of India Act, 1919, were not adequate, and pointed to a very large number of Indians who had characterised them as political jugglery. After referring to the good work done by the Assembly which, he maintained, ought to have led to better results, he proceeded to condemn the manner in which the increase in the salt had been carried against not only the wishes of the Assembly but those of the whole country, under the certifying powers of His Excellency the Governor-General. In view of the effect that certification had had on public opinion in the country, and in the absence of any guarantee that the power might not be exercised again, the mover strongly commended his Resolution to the acceptance of the House. Sir Malcolm Hailey (Home Member) countered the resolution in a comprehensive speech of great power during which he pointed out that the existence of such extraordinary powers as that of certification was the condition precedent when the Government of India Act was passed. “ The Resolution seems to propose only the simple repeal of a single section ; ” he said, “ in all truth, it involves a radical reversal of the system of transitional Government which has been sanctioned under the Government of India Act. I am myself confident that any future historian, however democratic or liberal he may be in his tendencies, would agree that Parliament was on sound constitutional ground in insisting on the retention of this reserve powers in the existing circumstances of India. That view was taken by the Liberal and Labour Party in 1919, and I am much mistaken if you will not find that it is again taken by the Labour Party to-morrow. Every student of politics, whether on the practical or theoretical side, will agree that full responsibility can be given only to a legislature on certain well-acknowledged conditions ; and no honest thinker could argue that these conditions are yet fulfilled in India. We have not yet an electorate which is politically conscious ; it has not yet formed itself into the parties which reveal the true and permanent cleavage of interests and which not only dictate lines of policy but afford the guarantee of continuous and stable administration. Nor have we yet an electorate which has determined to exercise to the full its electoral

powers.” During the debate the following amendment was proposed in place of the original resolution :—

“ This Assembly recommends to the Governor-General in Council that he may be pleased to take necessary steps to get section 67-B of the Government of India Act amended as follows :—

- (1) The words ‘ or interests ’ occurring between the word ‘ tranquillity ’ and the words ‘ of British India ’ be deleted.

- (2) The proviso be amended as follows :—

(a) The word ‘ grave ’ be inserted before the word emergency, and (b) the following be inserted after the word ‘ emergency ’ :—

‘ such as foreign invasion, civil war or widespread internal commotion and in no other circumstances ’ , ”

and in the upshot the first part of the amendment was carried by 38 votes against 36 and the second part was withdrawn.

Another resolution dealing with the constitution, perhaps not entirely unconnected with the salt tax, was moved on the 17th July in the following terms :—

“ This Assembly recommends to the Governor-General in Council that effect be given, by an amendment of the Government of India Act, if necessary, to the Statement of the Joint Parliamentary Committee that they have so constituted the Council of State as to be ‘ a true Second Chamber ’ by making it obligatory to observe in practice the following principles :—

- (1) Bills appropriating revenue or moneys or imposing taxation or containing provisions incidental to the financial arrangements for the year shall originate only in the Legislative Assembly :—

Provided that a Bill shall not be taken to fall under this category by reason only of its containing provisions for the imposition or appropriation of fines or other pecuniary penalties, or for the demand or payment or appropriation of fees for licences or fees for services under the law proposed therein.

- (2) The Council of State may not amend any Bill falling under the category aforesaid.
- (3) The Council of State may not amend any Bill so as to increase any proposed charge or burden on the people as voted by the Legislative Assembly.
- (4) The Council of State may, within the time laid down by the Legislative Assembly, return to the Legislative Assembly any Bill which the Council of State may not amend, requesting by message the omission or amendment of any items or provisions therein. And the Legislative Assembly may, if it thinks fit, make any of such omissions or amendments, with or without modifications.

- (5) Except as provided hereinabove the Council of State shall have equal power with the Legislative Assembly in respect of all proposed laws.”

This Resolution, however, was lost.

The relaxation of the control of the Secretary of State over the Government of India and the framing of rules for the transfer of subjects from the reserved to the Ministers' Department were the two outstanding features to which another member invited the attention of the House. He relied on sections 19-A, 96-B (2) and 45-A (a) of the Government of India Act, and said that section 19-A empowered the Secretary of State to relax his power of superintendence, direction and control over the Government of India ; section 96-B (2) enabled the Secretary of State to empower the Governor-General in Council to make rules regulating the public services, and section 45-A (a) laid down that provision might be made by rules for the transfer from among the Provincial subjects to the administration of the Governor acting with Ministers. He complained that the provisions of the Government of India Act had not yet been fully exploited, though they were elastic and afforded room for further expansion within the existing constitution. He asked the Government of India "to establish liberal conventions, and make use of the rule-making power which exists within the structure of the constitution for the purpose of developing the legislature, and to establish for themselves a position in conformity with the spirit of the Act." Another speaker in supporting the Resolution, asked the Government to hasten the transitional period as far as possible, not only in the interests of India, but in the interests of England and of the British Empire, and he pleaded for greater mutual confidence. Sir Malcolm Hailey was unable to see that the despatch referred to any action that was to be taken by the Secretary of State. Its actual wording was :—

"India has now been provided with a progressive constitution, and consequently there is room, within the structure of the constitution, for the legislature to develop and establish for themselves a position in conformity with the spirit of the Act."

He enquired if the action contemplated was that of the Legislature or was to be taken by the Secretary of State ? On the face it, it appeared to him that the Resolution called upon the Secretary of State to comply with an undertaking that he had never made. With regard to one of the arguments which had been advanced that the Government of India Act would be nullified unless the three sections referred to by him were utilized, the Home Member contended that that argument was based on a false promise, and he could not admit its implication. What had always been said was that the constitution was transitory, but it had never been said that the Act itself was transitory, and that it must necessarily be replaced and its provisions exhausted at the end of 10 years. Sir Malcolm observed that the Secretary of State, when he made the particular reference in his despatch, was undoubtedly thinking of the growth of the Legislature itself. As regards the growth of that power in face of Parliament itself, they had already had one acknowledged convention in regard to their fiscal relations, and an acknowledged understanding that there was to be no interference with provincial legislatures in regard to their transferred subjects. "In regard to your own executive", Sir Malcolm observed, "you have already made an advance which perhaps is more apparent to us than it is to the legislature itself..... Speaking as a Member of an Executive Government, I can give my testimony to this. Take the fact of the Committees appointed by this Legislature ; I doubt if

it is realised here how much the Standing Finance Committee has affected the work of every branch of the Central administration ; nor is it realized how much influence has very shortly come to be wielded by the Public Accounts Committee. Nearly every Department has now its Standing Advisory Committee ; perhaps the most conspicuous and influential is the Railway Advisory Committee. Then, again, I do not think that our critics fully estimate the extent to which the Executive has been affected by the fact that on every important question in which we contemplate legislative action members of the Legislature form part of the Committees which consider these questions." The Legislature had exercised an equal influence in the administrative sphere. What the Secretary of State, the Home Member claimed, had in mind was that the Legislature should consolidate its position in the country by actual legislative achievement—and that perhaps formed the most solid basis of advance before it. " I do not say " concluded Sir Malcolm, " that we any more than you are content to remain indefinitely where we are, but my point is that we are not standing still, that we are advancing within the constitution, and that there is no cause at present for any formal divestment of powers on the part of the Secretary of State."

Another Resolution which promised a most interesting discussion ran as follows :—

" This Assembly recommends to the Governor-General in Council that he will be pleased to move the Secretary of State to establish a convention as recommended by the Joint Select Committee and contemplated by Section 19-A of the Government of India Act, of non-interference, save under exceptional circumstances, in matters of purely Indian interest where the Government and the Indian Legislature are in agreement."

The mover explained that the object of his Resolution was to strengthen the hands of the Government of India, and he quoted from the Reports of the Crewe Committee and the Joint Parliamentary Committee to show that the principle had had the support of both Committees. The motion was agreed to, and the debate was adjourned.

The Council of State also discussed a Resolution of great constitutional importance on the 16th July. Sir Purshotamdas Thakurdas moved :—

" This Council recommends to the Governor-General in Council that in all matters where the apportionment of financial liabilities between the Government of India and His Majesty's Government may be in dispute between the Government of India and His Majesty's Government, no compromise should be made between His Majesty's Government and the Government of India without the previous sanction of the Indian Legislature. This Council further recommends to the Governor-General in Council that in any such case where arbitration is resorted to, the arbitrators of such disputed items between the Government of India and His Majesty's Government shall be the Premiers of the Empire in Conference assembled and nobody else."

Thus, it will be seen what great interest was taken by the first Assembly in specifically constitutional problems and how it constantly explored every possibility of speeding up the working of the new Constitution.

Other questions to which a great deal of time was given during this session referred to political prisoners and the problem of Indianisation of the Imperial Services including the Army. A very important debate also took place in the Council of State on the subject of rural reconstruction. A good deal of legislation was got through in this session but some was of any particular importance.

The foregoing discussion of the work of the Legislature has concerned itself almost entirely with the work of the Legislative Assembly. This, however, was unavoidable because after all the Assembly is by far the more important of the two Houses of the Legislature as it is the Indian counter-part of the House of Commons, it is there that the political constitution of India is being hammered out and it is the body which will eventually assume control of the destinies of India. But this is not to say that the Council of State is a negligible or merely an ornamental part of the constitution. It is very far from being this. The Joint Select Committee of Parliament made it a real second House, meant to exercise the moderating, restraining and guiding functions proper to such a body. During the two constitutional crises already described, its action was wholly admirable and based entirely on reason and the real needs of the country. It showed itself to be entirely uninfluenced by clamour outside its walls. On no occasion did it allow itself to be stampeded into unwise or ignorant courses of action. Generally speaking, the Council, in addition to its Legislative duties, took more interest in economic and financial questions and matters affecting the social and industrial life of the people than in purely political questions which, as a rule, it left to the Assembly. It also acquired the habit of permitting movers of Resolutions to withdraw their motions after discussion and on receipt of a sympathetic but negative reply from the Government—a habit which may be compared with the practice of moving for papers in the House of Lords merely to elicit information and discussion and with the object achieved of withdrawing the motion. Discussion on the budget, as is only natural in a body of such calibre, were marked by a high degree of knowledge and skill and on the whole it is not too much to say that the record of the Council of State throughout the war and the lifetime of the first Assembly, could challenge comparison with that of any similar body anywhere in the world.

The constitutional progress of India between 1921 and 1923 was adequately demonstrated by His Excellency the Viceroy when he came down personally on July 28th to address the two Houses in the Assembly Chamber and the following extensive quotation from His Excellency's speech will fitly close this part of our survey.

His Excellency said, "The close of this session marks a stage in the working of those reforms. We have reached the end of a definite part or chapter in that gradual development of self-governing institutions in the Indian administration which is the declared policy of the British Parliament. We have advanced one step forward, an important step, in the progressive realisation of responsible government in British India as an integral part of the British Empire. In the era of India's constitutional progress, which began with a momentous declaration of policy by His Majesty's Government, a stage had been reached which held interest

not only for this country but for a wider world, in particular for the British Parliament, upon whom lay the responsibility for the welfare and advancement of the Indian people and which must look back and take stock of the co-operation received from those on whom new opportunities of service had been conferred". In view also of the provision for the appointment of a Statutory Commission at the expiration of 10 years from the passing of the Government of India Act of 1919, His Excellency reminded the Legislature,.... "that we have almost reached the moment when half that statutory period will have elapsed. The achievements of the Indian Legislature, and especially of the first Legislative Assembly in these circumstances, assume a special importance. The work they have accomplished, the influence they have exercised, the example and experience they bequeath to their successors, all contribute to that atmosphere of success or failure which will surround the Reformed Constitution when the Mother of Parliaments sends her representatives to inquire into the working of the system of government". Reviewing the work of the Legislative Assembly, His Excellency remarked that the time had passed when notices of Indian affairs in the British Press were few and intermittent, and when a section of the Indian Press professed to ignore the deliberations of the Indian Legislature, except for occasional and brief outbursts of malicious depreciation. "You have your detractors" said His Excellency, "you may have your critics but you have now everywhere created and sustained a vivid and a living interest in your actions. You have made the Indian Legislature the mirror of events in India. All matters of importance to India are reflected in your questions and Resolutions. Those who were opposed to the true interests of India, and were blind to her position in the British Empire, and to the mutual protection and strength those ties assured, have not been slow to allege in respect of the reforms that they had neither substance nor permanency, and that their supporters lived in a fool's paradise whose palaces and gardens would vanish in the twinkling of an eye like the passing of a mirage".

"Nothing could be more untrue", observed Lord Reading, "I came to India immediately after the initiation of the Reformed Constitution, pledged to carry on that constitution and entrusted with special and new responsibilities by His Majesty as Governor-General to that end. On me was the charge laid that it was His Majesty's will and pleasure that the plans laid by our Parliament for the progressive realisation of responsible government in British India as an integral part of our Empire may come to fruition to the end that British India may attain its due place among our Dominions—and it is the unshaken determination of the British Government to carry out those reforms not only in letter but in spirit." The reforms had been criticised as illusory; the achievements of the Indian Legislature had been decried; their position and privileges had been ridiculed; their motives had been misinterpreted; and their sincerity and patriotism had been attacked. With regard to this criticism, His Excellency said, "Let history be their judge. I am confident that no difficulty will be found in sweeping aside those travesties of their earnest and constructive labours; but this is not all. The Assembly itself has been at times despondent..... My sympathy at all times is with laudable desires for constitutional advance and longings for a wider horizon; but when I examine the position the Legislative Assembly has attained, the use it has made of its opportunities, the effect and dignity



with which it conducts its debates and the broader aspect of its powers upon the policy of the Government of India, I cannot but feel that the Assembly at times takes far too narrow and restricted a view of its potentialities and real influence ; and I must suspect that sentiment on occasion tends to obscure reason and dims the vision of those solemn promises of the British Government and of the Charter of Indian liberties of which the Government of India Act is the repository. Weigh for a moment the influence and power of the representative element of this House against that of its predecessor, the Imperial Legislative Council. Compare the realities of its responsibilities with pre-existing conditions. Reflect on the establishment on a firm basis in this House of Parliamentary traditions and on their incalculable effect on the future....”

Looking back to the “ burning questions of the day ” when His Excellency arrived in India, he referred to the restrictions on the freedom of the press, the special enactments restrictive of certain forms of political agitation, the strength of the Indian Army, the burden of military expenditure, the absence of any regular scheme of Indianisation of the Army, the failure to associate the elected representatives of the people in advisory capacities with the problems coming before the Executive Government, India’s fiscal position, her stores policy, and the expensive character of the administrative machine, and asked the Legislature to examine how the case now stood in regard to these subjects. “ For I know that you count these measures ”, said His Excellency, “ which have been adopted by my Government on the strength of your representation of public opinion in those matters, among the most priceless pages in your annals ; you may perhaps feel that the policies you advocated are not yet in all cases fully accepted, but when you leave this House you may assuredly point to many grievances, which were the cause of much bitterness and suspicion, checked by you in their early growth and now lying strangled on the open road you have left behind you ”. In addition to these, His Excellency pointed to the activities of a more constructive character, namely, the Indian Factories Amendment Act, the Indian Mines Act, the Workmen’s Compensation Act, the Indian Emigration Act, the Criminal Procedure Amendment Act, all of which were destined to have an important and beneficent effect upon the future interests of India. Though at times the Assembly and the Executive Government had found themselves “ at opposite poles ”, His Excellency recognized that these differences had seldom been perpetuated, and that friendly and frank discussions had frequently led in the end to a better understanding. Some differences had, however, unfortunately remained ; but it was scarcely to be expected that at the present stage of the constitution, every divergence of opinion between the Government and the Legislative Assembly would be composed by discussion. “ Often my Government has accepted the views of the Legislature notwithstanding that these did not coincide with those of the Executive. But a special responsibility has been laid by the constitution upon the Governor-General in certain cases, and in my judgment special powers are essential to the discharge of the duties of the Executive in the present state of constitutional development in India. Nevertheless the occasions of the use of these special powers should be and, I am happy to observe, have been rare.” In concluding his reference to the Legislative Assembly His Excellency observed, “ My Government have to acknowledge a continuous and solid measure of support in

times of disturbance and agitation from the Indian Legislature, and in general a steady influence exerted for the maintenance of law and order. I have said enough, I trust, to establish beyond controversy the real advance accomplished and to place beyond the power of depreciation the disciplined efforts to increase the well-being of the people of India which have characterised this, the first Indian Legislature."

His Excellency brought his remarks to a close with the following words :

" I have paused to-day to examine the progress of the first Legislature and the position it has attained. In the face of vehement and sometimes bitter opposition you elected to give your services to your country and became Members of the Legislature, determined to devote your powers to attaining your aims and ideals by constitutional methods. You may not have accomplished in the short period all that you had hoped. You may perhaps find the pace of progress too slow, but can, you point to greater achievements for India during so brief a period of time ? Would other means have accomplished as much ? There are those who have set other ideals before them. Destruction not construction is their avowed aim. They would wreck the Reforms. What have they accomplished for India ? What blessings have they brought to her people ? Have they brought harmony ? Have they brought security ? Have they brought peace ? What goal have they set before them ? By what road are they to attain to it ?

You need not meddle with uncertainties or speculate on the unknown. You know the port to which your ship is sailing. You have set your course ; the star by which you steer shines bright before you. The first stage of your passage lies behind you in your wake. You have learnt to work your craft. Whatever storms or dangers may lie before you, you are confident in this knowledge and by the help of Providence you will bring your ship in safety to its journey's end. It is in this spirit that I ask those who have the interests of India in their hearts to use their influence in the coming elections to help India forward by the only secure road to the attainment of her cherished desires."

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## CHAPTER II.

The foregoing discussion of the work of the first Legislative Assembly is in detail so that some idea of the scope of the Assembly's work and of the undeniably real and extensive character of its influence over the Government of India may be conveyed. It is quite obvious that the constitution whose working is portrayed in the preceding pages is vital and progressive and not merely inert. A reading of the 1919 Act and the devolution rules would convey nothing of all this stir of life, and His Excellency's words just quoted show how the new constitution had taken firm root and had grown. It was fortunate for the Reforms that they had had these three years in which to acquire strength, for they were now to be subjected to a violent and sustained attack. It will be remembered that the Non-co-operators had not stood for election in 1920. Since then, however, there had been a great tug-of-war in their ranks between those members who, under Mr. Gandhi's leadership stood for no-change in the Non-co-operation policy, and, consequently, for no connection with anything pertaining to the Government. Another and a more influential section of the Non-co-operators, however, led by the late Mr. C. R. Das and Pandit Motilal Nehru adopted the so-called policy of "wrecking the Reforms from within" and they and their followers, who called themselves, the Swarajist Party, decided to stand for the Legislatures, Central and Provincial, at the election of 1923, to capture as many seats as possible and then, by a consistent policy of organised obstruction, to make the working of the constitution impossible. So the second Legislative Assembly which began in Delhi on the 30th January 1924, contained a solid bloc of Swarajists, about 40 in number. Another well defined group in the new Assembly were the Independents, about 30 of the Swarajists, but who differ from the latter in their views concerning the best means of attaining those objectives. There was an obvious danger from a coalition between the Swarajists and the Independents because the two groups combined command a clear majority in the Assembly and even before the opening of the session it seemed likely enough that such a coalition would materialise.

The Viceroy's speech at the opening of the Assembly ranged over the topics of burning interest to India, but, undoubtedly, its most impressive part was contained in the words in which he bore witness to the harm which might be done to the Reforms by the entry of the Swarajists. "In October last", he said, "I sounded a note of warning which I must now repeat in the friendliest spirit but with all gravity. I spoke with the object of presenting the picture of the future, as I then saw it, to those in India who had not failed in their support of the Reforms policy, although they had on occasions felt bound to oppose the actions of Government. You may remember that I adverted to the possible prospect, according to the then indication of events, of a check which I deplored, in the onward progress of the Reforms. The possibility of this check has come nearer to us, indeed it is in a degree already with us in some aspects, although it has not yet happened and, I devoutly trust, it will not happen in the Central Legislature. If the position should become more acute in the Provinces, the Local Governments may rely upon my

fullest support. I still wonder—as I wondered in October—what purpose beneficial to India will be served by any course destined to destroy the continuity of progress in the Reforms movement. No change in the constitution can be effected by legitimate and peaceful methods save with the assent of the British Parliament, that is, the British people. The British Parliament has already set up the machinery now in operation for some time past. It is working with efficiency through well ordered processes towards the creation of responsible self-government. It is difficult to conceive that any responsible body of opinion can ignore the purpose it has in view, or can desire to check its creative activities and to risk the injury which must result to the fine fabric already in process of being woven upon its looms. Nevertheless, I gather that there is a disposition in some quarters to believe that the hands of the British Parliament can be forced, and that a situation may be created which may impair the Reforms and thus cause Parliament to act contrary to their desire and better judgment. These influences make no appeal to the British people and the British Parliament would emphatically repudiate and reject them. Rather rest the real hopes of the consummation of India's desires in the promises already made and in the intentions already manifested and to be manifested by that great champion of liberties, the British Parliament. As a devoted friend of India, I am convinced that action based on reason and justice will alone prevail with the British people and will prove the only safe road to the ultimate goal to be attained."

Not very long afterwards these sentiments were reaffirmed with all the authority of his high office by Mr. Macdonald, then Prime Minister of England. The Swarajists and many of the Independents, however, had a clear-cut policy in their minds, which was to achieve constitutional advance of a kind and to an extent satisfactory to themselves. Nothing less than full dominion status for India and provincial autonomy—a nebulous conception, of which the implications have never yet been explored—would do for them. The Swarajists' first move was full of imminent danger to the peaceful progress of the Reforms. In the first days of the New Assembly they held a series of conferences with the Independents in which a general desire for immediate responsible government in India was discovered. A coalition of seventy members of the two parties calling themselves the "Nationalist Party" was quickly formed. Its adherents pledged themselves to obstruct the working of the constitution unless their demands were granted. Only a few of the leading Independents stood out of this compact, but quite two-thirds of their followers joined. These did not believe in the wrecking tactics of the Swarajists, but they saw no harm in pursuing a policy of "no supplies without redress of grievances" and they, no doubt, thought that they could hold back their allies from any action which could be utterly fatal to the constitution. In this, as events proved, they were wrong, for the solidarity of the Swaraj Party practically always ensured their majority in any meeting hastily summoned, a fact which, as we shall see, eventually caused the break-up of the Nationalist Party as the position became intolerable to the Independents.

The stage was thus set for the opening scenes of the new Assembly's activities. In so far as these were directed towards achieving immediate and far-reaching political advances they could be no more than barren, for whatever victories they might win over the Government in the House,

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they could not affect the basic conditions on which responsible government for India rested—the disruptive communal question, the Indian States, the problems of defence, and the position of minorities. It is clear that the Nationalist Party hoped for much from the new Labour Government in London, thereby mistaking, as so many others have done the temper of the British people, and forgetting that the Indian Reforms had never been and never could be a party question in England, but were the expression of the will of the people as a whole.

A glance through the debates of the first session of 1924 will show how these political considerations dominated all its work, even on the Budget and Finance Bill, which were not for a moment considered on their merits. Even a subject like the Cotton Excise was discussed not as a subject of primarily industrial and economic importance, but as “a standing emblem of India’s subjection” and an “insult to the national sense of self-respect”, whilst in the rebate on railway freight enjoyed by South African coal, which formed the subject of another debate, was seen a sinister plot to attack the Indian coal trade. Resolutions for the release of certain ‘political’ prisoners and for the repeal of Bengal Regulation III of 1818, one of the chief instruments in the hands of the Government for combatting revolutionary crime, were carried. The ‘Nationalist’ bloc had the majority in the Assembly and was utterly intransigent.

The impractical character of the aims of this majority is clearly shown by the most important resolution moved during this session. In its final shape the resolution read :—

- “(1) This Assembly recommends to the Governor-General in Council to take steps to have the Government of India Act revised with a view to establish full responsible Government in India and for the said purpose (i) to summon at an early date a representative Round Table conference to recommend with due regard to the protection of the rights and interests of important minorities the scheme of a constitution for India and (ii) after dissolving the Central Legislature to place the said scheme before a newly elected Indian Legislature for its approval and submit the same to the British Parliament to be embodied in a Statute.”

The debate on this resolution followed the lines expected. Speaker after speaker from among the non-officials emphasised the unanimity with which Indian Politicians urged their demand whilst the official spokesmen laid stress on the necessity for stages in India’s political progress as laid down in the declaration of August 1917 and in the Preamble to the 1919 Act. But there was one very significant feature of the debate. The only dissentient voices among the non-officials were of the representatives of certain minority communities and these, who were mostly Mohammedans, argued that the settlement of communal differences must precede further constitutional advance. The resolution was carried, of course, all save a handful of the elected members of the Assembly voting in its support. The Government announced its readiness to enquire into the possibility of further constitutional advances within the limits of the existing Statute, and a Committee, under the chairmanship of Sir Alexander Muddiman, was formed for this purpose.

In the prevailing temper of the Assembly, it was not to be expected that the Budget would receive a fair consideration. It was the most

favourable Budget which had been presented for some years, and a surplus of over two million pounds sterling (2.3 crores of rupees) was expected for the year 1924-25. The Finance Member proposed to use this surplus partly in reducing the salt tax and partly in giving the most needy provinces some relief in their contributions to the central exchequer, which would enable them to expand their 'nation-building' activities. The disposal of the surplus was left to the will of the Assembly which might choose whether it would reduce the salt tax to an inappreciable figure and forego the relief to the provinces or whether it would prefer a slightly higher, but still innocuous, tax together with remission of provincial dues. Here was an excellent chance for the Assembly to think for the good of India instead of pursuing a political will of the wisp. Driven, however, by its Swarajist members, the Nationalist 'bloc' proceeded to reject every grant which came up for sanction, until the proceedings became a tragic farce. The culminating act of irresponsibility was the blank refusal to allow the Finance Bill to be introduced. The Bill was presented again the day after, considerably mutilated, with the salt tax at the minimum figure, but permission for introduction was again refused. It went therefore to the Council of State for sanction, in accordance with the law, and the Council, with many sarcastic references to the unpractical Assembly, passed it with one dissentient vote.

The session ended with the debate on the resolution for the repeal of Regulation III of 1818. Of constructive work in the Assembly there had been none.

Succeeding sessions, however, were to see a great and steady improvement over this state of affairs. The outstanding reasons for this beneficial change may be stated very briefly. In the forefront is the deplorable state of Hindu-Muslim relations. We have seen that practically the only non-official opposition to the Resolution for sweeping constitutional change, which was moved in the first session of the New Assembly, came from some Mohammedan members. The very next day after the carrying of this resolution, the unity of the Nationalist Party was all but split by a resolution moved by a Mohammedan Member to secure increased Mohammedan representation in the Central and Provincial Legislatures and in the different Government services. A personal appeal of the party leader, Pandit Moti Lal Nehru, secured the indefinite postponement of the resolution, but of course, the feeling which gave rise to the resolution, could not be affected by this action. Throughout 1924 the tide of communal antagonism rose steadily until it broke in September in the terrible riots in Kohat in which about a hundred and fifty-five people were killed or wounded and vast amounts of property were looted. The whole Hindu population of Kohat evacuated the place and a bitter storm of mutual recrimination between the two communities burst forth. An "All Parties" Conference was held as a result of this riot to try to find some solution of the problem, but in February 1925 a sub-committee of this conference to which had been specially delegated the task of finding a *modus vivendi* had to adjourn indefinitely because it had failed hopelessly to come to any agreement on the really vital parts of the problem.

Naturally these deplorable events in the country produced their reflex in the Legislature and communal feeling undoubtedly impaired the unity of the Nationalist Party.

Then, too, there has been a slow but effective change in the temper of part of the electorate between 1923 and the end of 1924. A distrust of purely political activity had grown up and the results of bringing dyarchy to a standstill in Bengal and the Central Provinces had not been quite what the Swarajists expected. So, even among Swarajists themselves the wisdom of the policy of indiscriminate obstruction began to be questioned and the advisability of their even taking office in the Provinces began to be ventilated. The idea of seizing on power and using it for constructive purposes is one which makes a natural appeal to civilised mankind, and it is not surprising that a policy of pure negation began to lose its attractions for some of the Swarajists. Finally, their Independent allies revolted from their ignominious position at the tail of the Swarajist chariot and thus deprived their extremist allies of the majority in the Assembly. Thus a broad review of the work of the second Legislative Assembly after its first session shows the spirit of the Reforms slowly but surely conquering the opposition to them even of the Swarajist Party which was pledged to their destruction. We find, accordingly, Swarajists assisting Government with their advice on important matters,—as during the discussion of the Bill for the protection of the Indian Steel Industry in the Special session of the Assembly which was held in Simla in May 1924,—and even serving on Select and Standing Committees. It must not be supposed that the Swarajists had experienced any change of heart, for they had not. The truth is that the pressure of events and opinion in India was forcing them willy nilly to take part in the work of the Legislatures.

The next regular session of the Assembly in September 1924, saw the beginning of the disintegration of the 'Nationalist' Party and the formation of an Independent Party under the leadership of Mr. M. A. Jinnah with its own whips. The force of circumstances compelled the Swarajists to move steadily away from their old policy of unreasoning obstruction and in regard to one government measure of vast importance their action was definitely constructive and co-operative. I have mentioned already the separation of railway finance from general finance. Briefly the government proposed to establish a convention by which the Railways make a definitely ascertainable contribution to the general revenues every year, and for the rest manage their affairs on commercial lines. In the January session, such a proposal would have been negatived by the Swarajists and their 'Independent' allies simply because it emanated from the Government. But now, Swarajists, Independents and elected Europeans all worked together, criticising where necessary in a practical spirit and doing their best to establish the convention on the soundest possible lines. Throughout the debate, the Swarajists continued to work on these lines, and the value to India of the work which they helped to accomplish may be summed up in the words of Sir Basil Blackett, Member for Finance : " The purposes of Railway separation are a stabilised budget, a stabilised railway revenue, the securing to the Railways of a real incentive to economise and to work on commercial lines, and the provision of the right conditions for maintenance of continuity in Railway policy.. . ."

But the sky was not altogether clear during this meeting of the Assembly, for the proposals of Lord Lee's Commission on the superior Civil Services provided the opportunity for the most important debate of the session. The Government asked the Assembly to agree to a resolution accepting in principle the Commission's findings whilst reserving

freedom in respect of individual recommendations. The non-official members and chiefly the 'Nationalists' demanded the cessation of recruitment in England and the transfer from the Secretary of State to the Government of India of the powers of appointment and control of the public services. After a debate lasting three days, the government proposal was defeated and the Nationalist amendment carried.

In other matters, too, the non-official members of the Assembly carried resolutions against the government but enough has been said to show that the spirit and policy of the extremists among them—the Swaraj Party—had undergone a profound and significant change.

Throughout 1925 this betterment of the Indian political situation continued. The Swarajists were still implacable but their power declined steadily with their support in the country. More and more the Independents tended to submit the actions of Government to the one test—are they or are they not for the good of India? Whenever they could get the Independents on their side, the impulse of the Swarajists was still to inflict a reverse on Government but automatic hostility to the latter had gone? Thus, in the Delhi session of 1925 a resolution recommending the supersession of the Bengal Ordinance by an Act of the Legislature was carried by a Swarajist and Independent majority against all the arguments of the government. The Ordinance, which was promulgated in October 1924, was directed against revolutionary crime in Bengal (where there had been a recrudescence of anarchical activity since the early part of 1923) and was not particularly severe in its terms. It allowed surveillance of the less important revolutionaries and required the submission of material facts and circumstances to two judges in all cases where government ordered personal restraint. Among the persons arrested under the Ordinance was a prominent Swarajist who was also Executive Officer of the Calcutta Corporation, and the Swarajists naturally used the event to proclaim that the measure was aimed against them specifically, their protestations being received at their face value by many who did not belong to their party.

The new attitude of the Swarajists is shown with singular clearness in the fate of a resolution for the constitution of a Supreme Court for India which was introduced during this session. The government and the non-official Europeans opposed it and were supported by the leader of the Swarajist Party. The leader of the Independents supported it, but the Swarajists went into the Government lobby and rejected it by a large majority. On another occasion, a Swarajist motion was defeated by a coalition of Independents and government supporters. Sometimes both Swarajists and Independents united against the government, as in the case of a resolution urging the immediate establishment of a Military College in India, but the general trend of events showed the Independents steadily moving further away from the Swarajists and the latter just as steadily shedding perforce their extreme ideas and tactics.

The differences between the two parties were clearly shown over the Railway Budget. The Swarajists proposed to the Independents to join with them in throwing it out altogether as a political protest, or else to reject the demand for the Railway Board, which is the directing agency of the Indian railway system and policy generally. The Independents refused to agree and in the debate the speakers of the two parties turned



their guns on each other rather than on the Government benches, the determination of the Independents not to obstruct for the mere sake of obstruction, and the equal determination of the Swarajists to use obstruction occasionally as a political weapon, being clearly demonstrated.

The discussion on the Budget at the beginning of March when compared with that of the previous year, shows how profoundly these developments had changed the temper of the Assembly. The political aspirations of the Swarajists had not altered in any essential, but they could no longer reckon confidently on the support of the Independents, and some Swarajists even showed a tendency to limit their criticisms to definite features of the government's financial policy to which they took exception. Some Swarajists raised general political issues such as the absence of responsible Government in India, but the Independents were determined to treat the Budget on its merits. Wholesale rejection was therefore out of the question. But on one particular demand, that for the grant of the travelling allowance of the Executive Council, Independents and Swarajists made common cause. The Government was indicted for failure to undertake constitutional advance, for the unsatisfactory character of the majority Report of the Muddiman Committee, for their attitude towards the Bengal Ordinance and so on, and a motion to omit the grant was carried. Attempts made by the Swarajists to refuse grants failed because the Independents having made their protest, refused to support them. The final stage of the Budget is the Finance Bill and on its introduction, the Swarajists again took the opportunity to raise a political discussion, and Mr. Patel opposed consideration of the Bill. Again, however, the Independents refused to join the Swarajists and the motion for its consideration was carried.

The importance of this session is that it finally revealed to the Swarajists that the new constitution was stronger than they, and its events reinforced the opinion of those members of the party who believed that more was to be gained by working the constitution than by trying to wreck it, and the Simla Session of 1925, seemed to put these opinions in the ascendant. An examination of the proceedings in the Assembly will show it working smoothly from day to day. An important Bill like the Sikh Gurdwara (Supplementary) Bill which was introduced to validate the Sikh Gurdwaras Act passed by the Punjab was accepted by the Assembly without a division. There was complete unanimity in the welcome given to the Bill by members of all parties from all over India, and the short debate strikes a pleasing note to the ear of one who has studied the debates of the two preceding sessions. A resolution to remove the bar against the election of women to either Chamber of the Indian Legislature was passed. The grant of a bounty to the steel trade was sanctioned, and supplementary demands for grants were passed without friction, save in one case where the objection was based on certain technical grounds and the majority included Europeans.

A demand for further constitutional advance was made by an amendment to the resolution moved by the Home Member, Sir Alexander Muddiman, for the acceptance of the principle underlying the majority report of the Reforms Enquiry Committee which, as we have seen, was constituted as the result of the debate of February 1924. The demand for sweeping changes in the constitution was pressed as earnestly as ever by both Swarajists and Independents, but much of the sting of the earlier

speeches is lacking in this debate, which, in the main, was an indictment of the Government and a statement of the desired changes which fully emphasised the outstanding political disabilities of India, but did not go to the heart of the business and make any constructive proposals with regard to India's disunity.

A Bill for regulating the use of firearms was perhaps an echo of the Amritsar firing of 1919 and contained one clause which would have made it virtually impossible for a Police or Military Officer to use firearms against a mob, however urgently their use might be required. This clause proposed that "Notwithstanding anything contained in section 13, any person injured by the firearms, or any parent or guardian, husband or wife of a person killed by the use of firearms may make a complaint against any person for any offence committed by him by reason of any act purporting to be done under this chapter".

The amendments to the Home Member's resolution and the Firearms Bill were passed by the Assembly against the opposition of the Government, but neither of them was accepted by the Council of State. They were the only occasions during the session on which serious opposition was made by the Assembly to the wishes of the Government members. The working of committees, on which Swarajists sat, was not interrupted, and the work of the session as a whole left the impression that the Swaraj party was developing into something very like a normal constitutional opposition.

One vitally important event of this session must be mentioned—the election of Mr. Patel to the Presidentship of the Legislative Assembly. The term of the first President, Sir Frederick Whyte, who had been appointed in order to introduce the new Indian Legislature to our own Parliamentary traditions, had expired, and the Assembly had to elect his successor. Mr. Patel was one of the leaders of the Swaraj Party; and his acceptance of an office of such dignity and importance means that the best minds among the Swarajists have decided to accept and work the new constitution.

The Delhi Session of 1926 opened amid high hopes that the healthy change noticed in the proceedings of 1925 would be maintained and for a time it was so maintained. It is true that Resolutions regarding the release of political prisoners and the Burma Expulsion of Offenders' Act were carried in spite of Government opposition, but the speeches of Non-official Members from all parties were on the whole distinctly moderate in tone and within a few days of the passing of these Resolutions, a measure of considerable importance with a long history and a good deal of agitation behind it, *viz.*, the Bill for the repeal of Regulation III of 1818 was rejected. Bills to improve the operation of Section 109 of the Criminal Procedure Code, for the establishment of Trades Union in India, for the naturalization of aliens and Contempt of Courts Bill, were all passed. The Assembly passed all Supplementary Grants save one which gave to certain Railway employees the benefits of the Lee Commission's recommendations and this was rejected by only one vote. Among the Supplementary Grants were such contentious items as those relating to the South African Deputation, the Taxation Enquiry Committee and the Royal Commission on Currency and Exchange.

But, as the date for the presentation of the Budget approached, it became gradually obvious that the Swarajists meant to obey the disastrous Resolution of the Cawnpore Congress that unless Government had agreed by the end of March to comply with the terms of the Home Rule

Resolution passed by the Assembly in February 1924, all Swarajists should leave their seats in the Assembly and in the Provincial Councils and should take no further part in their proceedings. On March the 8th, accordingly, which was the day for the opening of the general discussion on the budget, the Swarajists, after their leader had made a brief speech to the Assembly, walked out of the House. Their example was followed by Swarajists in the Council of State and in Provincial Councils. It is too early yet to estimate the results of this action which is a most unfortunate abrogation of the promise of the three preceding sessions.

The general result of these five years of Indian constitutional history is, it is as certain as anything human can be, that the new constitution has taken a firm hold on life and has captured the imagination of the Indian people. It is a constitution which has life and the power of growth and it has grown in many directions far beyond the expectations of those who called it into being in 1919. Conventions have developed, a healthy and thriving committee system has come into being, which identifies private members with the working of the constitution, and all departments of Government, and finally, it is by now apparent that the political future of India is bound up with the success of the Reforms. The Central Legislature is now the only All-India body in the country. Congress is hardly more than the organ of a small body of irreconcilable Swarajists. The All-India Muslim League and the Hindu Maha Sabha are, what their names suggest, purely communal bodies. The Legislative Assembly and the Provincial Councils are bound to become, ever more clearly, the rallying points of all true patriotism and all desire for the welfare of India as a whole, and in this circumstances lies immense hope for the future both of the new constitution and of India herself.

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## CHAPTER III.

### THE REFORMS IN THE PROVINCES.

It is, of course, impossible to treat in detail the working of the Reforms in the Provinces, nor is it desirable to do so, for a vast multitude of details would hopelessly confuse the picture presented. This Chapter, therefore, will be in broad outline.

It will be readily understood that the task of the Reforms in the Provinces is very different from their task in the Central Legislature, the difference between the two being embodied in that feature of the 1919 Act which has caused more comment and given rise to more discussion than any other—dyarchy. In the Central Government the Reforms were meant to introduce the representatives of the Indian people to the forms of Parliamentary Government and to provide a work-shop, as it were, in which policies and plans for all India could be hammered out. Lastly, it was hoped that the Legislative Assembly, as a microcosm of all India, would provide opportunities and incentives for its members to rise above local, sectional and communal interests and group themselves in parties which should have as their ideals and goal the welfare of India as a whole.

The Provinces were not meant to be concerned with broad questions of policy and with problems of politics properly so-called. In them the Reforms were meant, by the medium of the dyarchic system, to accustom the representatives of the people to the actual use of responsibility through ministers responsible to the Provincial Legislative Councils. To this end the group of very important administrative subjects known as Transferred Subjects were definitely made over, subject, of course, to certain well-known safeguards contained in the Act of 1919, to Provincial Councils acting through Ministers. Primarily, therefore, what we hoped to see was the Provincial Councils gradually developing something like a true party system, and party programmes drawn up not in the interests of particular classes or communities, but in the interests of the people of the provinces as a whole. In fact, in order to achieve success in the provinces the Reforms have to ensure the steady shifting of power and responsibility from the hands of the Executive Government to those of the Legislatures. But it is quite clear that this process must depend on the growth of a true party system in the Provincial Councils and so, as we shall see, while much power has been given to the representatives of the people—power which, in some respects, has been wisely used—dyarchy has fallen short of the measure of success which was hoped for because in no province, and not even in Madras, which at first held out high hopes, has any true party system emerged, or, even, it can be said with truth, yet begun to emerge. Practically all the non-official evidence which was given before the Muddiman Committee in 1924 was a tremendous onslaught on Dyarchy, but it is very clear from the evidence that all its critics including even a number of Ministers or Ex-Ministers had quite misunderstood the scope and intent of the system against which they were complaining. In its extreme form the criticism of dyarchy assumed that it was meant to introduce something like complete responsible government in the provinces

in spite of the fact that nothing was more clearly emphasised than the transitional character of dyarchy which was only a necessary stage in the progress of responsible government. But even the more knowledgeable criticism of dyarchy shows no comprehension of the truth that it could not so much give actual power into the hands of the Ministers as call into being circumstances, and provide opportunities for Ministers and legislatures to acquire power for themselves. Once again the basic ideas underlying the Act of 1919 had been totally misunderstood, namely, that that Act was the first process in the creation of a constitution in the true sense of the word. It was not bringing into being a mere system of administration, and, therefore, the system of government inaugurated, could not be added to by mechanical means. Either it must grow naturally, tended by the labours, and the sacrifices of Indians whose constitution it is, or it must perish of sheer inanition. In one or two provinces, notably Madras and the Punjab, as we shall see, great things have been accomplished by a minister supported by solid communal majorities in the Councils, and these things help us to realise what might have been done by ministers supported not by mere communal majorities but by real parties with comprehensive programmes.

This is the first and the greatest reason for the failure of dyarchy to achieve all the results which had been hoped for. There were others, only second in importance. Throughout these first five years of its life dyarchy has had to struggle against the crushing handicap of financial stringency. Ministers have evolved schemes and Councils have made recommendations which have had to be ignored simply because the money was lacking to give effect to them, and nothing is more certain than that this unfortunate fact has profoundly prejudiced Indian opinion ignorant and competent alike against dyarchy. Sheer lack of money has been interpreted as lack of will. And the Ministers and Councils have believed themselves to be deliberately thwarted by the executive councils when, in truth, the latter would have liked nothing better than to meet their wishes had the requisite money been forthcoming.

Again, the general unrest of the first years of the Reformed Constitution has diverted energies and resources, which would otherwise have been thrown into the working of the Reforms, into a struggle with the forces of anarchy and the effort to preserve an ordered system of government, and, finally, from 1922 onwards communal antagonism has vitiated public life over most of India and has been undoubtedly a main factor in preventing the rise of a real party system.

These considerations form the back-ground against which the working of the Reforms in the provinces must be viewed. A glance at the list of transferred subjects will show how truly great are the opportunities to benefit their own people and to increase the welfare of their own province now put in the hands of the Provincial Councils. Local self-government, almost the whole of education and much of the vast and really almost virgin field of rural welfare and development have been transferred to the hands of the Provincial legislatures. These are nation-building subjects in the truest sense of the word, and the scope of the work opened out by them can hardly be exaggerated. So it is undeniable that the duties of the provincial legislatures lie among practical things. Their first concern ought to be with formulating and implementing schemes for the development of local self-government, the spread and importance of education, particularly in

primary education, and fostering the work of co-operative societies, agricultural research and the like. Undoubtedly much has been accomplished in these directions, but it is only too apparent that the councils have not concentrated on this primary duty but have dissipated their time and energy on a multiplicity of other interests. In every Provincial Council there has been a spate of questions and resolutions dealing with subjects both far below and far above their competence, from matters which concern the personal relations of two neighbours in a village, to motions dealing with subjects of national or even inter-national importance. A good deal of this waste of energy has been due to sheer inexperience, and this was only to be expected, but also there has been, particularly in the second councils which were returned at the election of 1923, much of the same sort of obstruction for obstruction's sake, as we have seen in the Central Legislature. For it must be remembered that the elections of 1923 returned Swarajists to the provincial councils as well as to the Legislative Assembly, but, fortunately, nowhere save in Bengal and the Central Provinces, were they returned in such numbers as to bring the working of the constitution to a stand-still. I have said that the main concern of the Reforms in the provinces was to transfer actual power and responsibility to the councils and to ministers to whom have been entrusted the Transferred Departments. This transfer of power, however, is not a simple and clean-cut thing, for, broadly speaking, the administration of a province is and necessarily must be unitary, *i.e.*, the different departments of the administration are not water-tight compartments and the transferred and reserved subjects prove in practice often to be inextricably confused with each other. An outstanding proof of this fact is to be found in the Sikh agitation in the Punjab which arose ostensibly in a movement for the reform of Sikh shrines and temples. The original question at issue was one for the Minister-in-charge of Education to deal with, but, of course, it led in the end to police and military intervention. Hygiene, again, is a transferred subject, but a vaccination dispute might at any moment lead to rioting and consequent police action. And so on in innumerable instances. But looked at from the proper point of view this fact means not the restriction of the powers of Ministers, but their extension, a truth which has been consistently overlooked. For if executive considerations are constantly leading to the restriction of the initiative of ministers, on the other hand the ministers are brought into intimate contact with every part of the administration, and thus their influence and ultimately the influence of the councils is not confined to the specifically transferred departments. To revert again to the Sikh question, the evidence of Sir John Maynard, the Punjab Member for Finance, which was given before the Muddiman Committee, shows how the Punjab Ministers were closely associated with the Executive Council in dealing with the disorders which arose in the Punjab out of this question. It is possible that this implication of dyarchy was not very clearly realised by the framers of the 1919 Act and the Devolution Rules, and it is quite obvious that had the Ministers been backed by strong, well-organised parties, and possessed the power and prestige which would have arisen from this backing, the progress of the Reforms in the provinces would have been vastly more than it has proved to be. Nowhere can this be better realised than in an examination of the annual budget discussion in the provincial councils where we see that the provincial governments have time after time deferred to the councils even in matters relating to the reserved subjects. Even law and order has not been kept outside the

influence of the councils, and cuts are regularly made in the expenditure of this most vital department of the administration. Schemes for the improvement of irrigation, which is everywhere a reserved subject, have been altered or abandoned in deference to the wishes of the legislatures and examples of a similar kind could be quoted in the case of other reserved departments. The fact is that in the provinces, even more than in the central government, there is much truth in the saying that the legislatures have only to reach out and take power for themselves.

The history of the Provincial Councils during the last five years, like that of the Central Legislature, has been deeply affected by the entry of Swarajists at the elections of 1923. The Members of the first Provincial Councils were on the whole of moderate views and responsible character, and in every province dyarchy functioned more or less satisfactorily. It did not everywhere assume exactly the same shape but that after all was no drawback in view of the widely varying circumstances in the different provinces. Dyarchy contemplates two separate halves of the Provincial Government—the Executive Council and the Ministers responsible to the local legislature,—these two halves being joined and kept together by the Governor, to whom, of course, certain extraordinary powers similar to those exercised by the Viceroy, had been given for this purpose. In certain provinces, however, notably Madras and Bengal, the attempt was made to work as a Unitary Government, *i.e.*, Ministers and Executive Councillors regularly met together to discuss provincial policy. In Madras during the first 2½ years of dyarchy only 7 meetings of the Executive Council separately were held, whilst no fewer than 114 joint meetings of Executive Councillors and Ministers took place during the same period. In Bengal for nearly four years joint meetings of the Executive Council and Ministers were held, and in the Punjab during the first two years of dyarchy. At first questions concerning Reserved Departments were dealt with by the Governor and Executive Councillors, whilst questions relating to the Transferred Departments were the concern of the Governor and his Ministers. During this time a certain number of joint meetings of Councillors and Ministers were held to discuss matters of common interest to both Reserved and Transferred Departments and these joint meetings became in the end practically the rule, and the policy of the Bengal Government was thereafter in effect the policy of a unified government. In no other province did the relation between the two halves of the Government become so close. In the Central Provinces joint meetings of the two halves were held to discuss questions of common interest and in the Punjab weekly meetings were held. In short, the practice of dyarchy has varied more or less from province to province.

I have already said that hitherto no true party system has come into existence in the provinces, and consequently there is nothing like a cabinet system. Joint responsibility of Ministers, for example does not, and, under present conditions cannot exist. For, of course, as only half the Government is responsible, there could, in any case, only be a partial system of joint responsibility. Again, communal differences introduced further difficulties, for it is obvious that many of the most severe differences of opinion between the legislatures and executive governments will arise out of communal disputes and, to state a hypothetical case, if in the Punjab, where there is a Hindu Minister and a Mohammadan Minister, the former were to resign on account of some proposed action of the Government which the Hindus regarded as being unduly favourable to Mohammadans, it would

clearly be absurd to expect the Mohammadan Minister to resign in sympathy with his Hindu colleague. The great truth, against which we are being continually brought up in any discussion of the progress of the Reforms in the provinces, is this, that in the Transferred Departments the Executive Government can now do very little. Power is in the hands of Ministers, but hitherto they have been unable to use it to its full extent, because they have not had the backing and the driving force which can only be supplied by well organised parties. Nevertheless a great deal has been accomplished in the Transferred Departments and the more important part of this will be briefly passed in broad review. Among the Transferred subjects are the three most vital of all subjects of administration save only the maintenance of law and order. These are Education, Agriculture and Rural welfare generally, and local self-government. A study of the activities of Provincial Councils shows that the latter subject has occupied more of the Councillors' time than any other, and provincial legislative activities have centered in the regulation of municipalities and district boards. Generally the object of provincial legislation on local self-government since 1921 has been to democratize all the units of local self-government. Everywhere franchises have been enlarged and the numbers of elected members increased. Direct election has been introduced into the District Boards and there has been a steady movement towards the replacement of official by non-official control. In the United Provinces, for example, this movement has been carried very far, for there are now no official Presidents of District Boards. The taxing and rating powers of local bodies have been increased and in the Madras Presidency these may now impose taxes on amusements and entertainments. But unquestionably one of the most important features of local self-government legislation under the Reforms has been its extension to the villages where attempts have been made to give definite powers to the traditional punchayats or committees of village elders. Every province has devoted attention to the government of its villages. The Punjab Punchayat Act gives a village Punchayat powers to settle legal disputes and to take measures for the sanitation of villages. In the provinces a similar Act enables them to deal with petty civil suits and to settle legal cases under the Cattle Trespass Act and the Village Sanitation Act. In provinces like Bengal and Bihar and Orissa powers have been given for the creation of village unions and the constitution of union boards on an elective basis. These Union boards have functions not unlike our own parish Councils and appear to be working satisfactorily. And so in other parts of India, the movement to make the hitherto despised and neglected village into real unit, however humble, of local self-government is popular and thriving.

\* The vital importance to the body politic of a healthy and well developed system of local self-government need not be demonstrated here, but one or two reflections on the imperative necessity for the development of local self-government in India, if she is ever to realise the hopes of the Reforms, may not be superfluous. Of all the problems of Indian life, which call for a solution, the two most insistent are communal antagonism and rural regeneration. In both these directions urgent work awaits the attention of local self-government bodies, for it is in these cells of the body politic that the members of rival communities can most easily and naturally sink their differences. In them Hindus are concerned with Mohammadans as neighbours and the effects of strife in them are seen and felt immediately. The great problems which vex national and even provincial politics should



not be in evidence here and Hindus can co-operate with Mohammadans in extending the benefits of primary education, for example, because they see their own children profiting by it and, therefore, are the less inclined to grudge its benefits to others, even though these others belong to another community, and another faith. Again, measures undertaken by local bodies to improve sanitation, water or electric light supply and the like cannot be confined to one class or community of a locality but must be extended to all. So in these small matters of every day life, co-operation and harmony are seen to be beneficial and fruitful things, and it is impossible that after a longer or shorter period this spirit should not be extended to the wider sphere of provincial and, ultimately, national affairs. Again, there is a great sphere of work for local units of self-government in the task of rural regeneration ; even small ' kuchcha ' roads, made to link up villages lying isolated in the midst of their fields with market towns, mean an appreciably economic gain to the peasants who can thus drag their produce economically in carts instead of taking it on their own heads or on the backs of bullocks or donkeys. Every extension of primary education, by lifting the burden of ignorance, makes it more possible for the peasantry to exercise fore-thought, to realise the benefits of thrift and to develop a spirit of independence and self-help. Better sanitation will tend to remove the scourge of preventable diseases like malaria, hookworm, cholera and the like which play such havoc with the stamina of the Indian rural classes and lessen their powers of resistance to the pressure of their circumstances. Of course, all these desirable things cannot be undertaken or achieved at once or even within any short span of years, but the opportunities and duties in regard to them are present, and the more firmly local self-governing institutions take root, the more widely will these contemplated benefits be spread.

Under the new constitution, as noted above, the progress of local self-government has already been appreciable, but it must not be imagined that the members of local bodies have exercised their powers wisely or, in some cases, even honestly. There have been far too many cases of corruption in local bodies during the last five years, far too much nepotism, and class and communal bias, and too much timidity in applying powers of taxation. To mention only two of the outstanding examples of this, in the very important municipalities of Lahore and Amritsar in the Punjab there has been grave and scandalous inefficiency, and more than once almost a complete breakdown of the Municipal administration. It is obvious that local self-government on Western lines is still something of an exotic on Indian soil, but at the same time there are good reasons for believing that many of its weaknesses are only temporary and that the 1919 Act is going to reap one of its richest harvests in this field.

The majority of Municipalities and District Boards in India are still struggling against financial stringency. In the days when the institutions of local self-government were subject to direct official control, their financial position was none too prosperous ; but now that they are free to undertake large schemes of development, the fiscal question tends to become acute. For this there are several reasons. So long as the District Officer was virtually responsible for Municipal administration, his paid staff performed a considerable proportion of the necessary executive functions. But now that the Municipalities and District Boards have become almost autonomous, they have been obliged to engage their own corps of executive

officials. The financial effects of this change are the more serious in view of the higher prices which have characterised the post-war years in India : while the inevitable seeking after economy has been productive of adverse consequence so far as general efficiency is concerned. Government provides a trained staff for educational, medical and sanitary work. But Municipalities and District Boards are left to find their own Secretaries, Engineers, and clerks where best they can. Until a properly trained executive service becomes available, the financial and general administration of the local bodies is likely to be less satisfactory than the enthusiasm and activity of members willing to serve honestly for the good of the public would seem to imply. In addition to this factor, it should be remembered that the newly-constituted local bodies are everywhere devoting their attention to elaborate schemes of education and medical relief, which entail an expenditure far greater than anything which the past can show. They have rightly looked to the local Governments for a measure of assistance, but the generally unsatisfactory condition of Indian finances has, as a rule, prevented this aid from being forthcoming in the requisite degree. In many provinces, therefore, Municipalities and District Boards have fallen into debt. The remedy would seem to lie along the lines of enhanced taxation combined with retrenchment. But here arises the difficulty that the members of Municipalities and District Boards are reluctant to face the unpopularity which these measures would entail. Fortunately, there are distinct signs that the courage of the members is growing. From several Provinces it is reported that the local bodies are now levying fresh taxation and retrenching their superfluous activities with a rigorous hand. Further, there is now a tendency to lay stress upon the wise distribution of available funds. In the first flush of inexperienced enthusiasm, many of the local bodies indulged in schemes for the promotion of some particularly favoured activities such as education, at the expense of equally essential services such as health and communications. Generally speaking, this is no longer the case ; and the members of these bodies are devoting increasing attention to the equitable adjustment of their resources to their requirements.

There is another tendency and that is of a less pleasing character, which has distinguished the history of local self-governing bodies during the past few years. This is the prevalence of communal feeling. Particularly throughout certain parts of Northern India, the relations between the Hindu and Mussalman members of Municipal and District Committees have been marked by serious tension. Hindu-Muhammadian feeling has clogged the whole machinery, the community to which the Chairman does not happen to belong devoting all its energies to the task of obstruction. Even where the situation is not so serious, much time is reported to be wasted in mutual recrimination. It is to be hoped that with the passing of the present wave of acerbity which characterizes Hindu-Muhammadian relations the members of the local bodies will find it possible to work in harmony for the discharge of their responsibilities to the public. It is also to be noticed that in certain Provinces, where communal feeling is not rife, the work of the Municipalities and District Boards has been considerably hindered by the growth of personal and party feuds. This situation, though far from satisfactory, is less serious than that which is presented by communal recriminations ; for the remedy lies directly in the hands of the rate-payers themselves. During the period we are now reviewing, there has been a gratifying tendency in certain parts of Northern India

towards the formation of strong Rate-payers Associations, which bring almost irresistible pressure to bear upon recalcitrant members of Municipalities and District Boards, and compel them to subordinate their personal inclinations to their public responsibilities.

Great progress has been made in the spread of education during the years. But here again, less has been done than would have been accomplished had the Ministers been supported by strong and well-organised parties. The progress achieved in the Punjab by the Education Minister, Sir Fazl-i-Hussain, who has been strongly and unanimously backed by the Muhammedans who form the majority in the Punjab Council and consistently support their favourite Minister, shows what would have been possible had similar conditions prevailed elsewhere. It is summarised in the following quotation from the evidence given before the Muddiman Committee in 1924 by Sir John Maynard, Finance Member of the Punjab Executive Council :—

“ The period of the Reformed Government has been characterised by a very remarkable development in primary education. During the first three years of the Reformed Administration, the number of pupils in primary schools rose from 239 to 351 thousands an increase of 47 per cent. : and the percentage of persons under instruction to total population is now 4.07 as against 2.7 before the Reforms. This increase in numbers has been accompanied by a substantial advance towards the abolition of the inefficient one-teacher schools, which have been replaced, to the number of 1,250, by two-teacher schools. There has been a steady advance in the application of the principle of compulsion, under the enabling Act of 1919. In a number of other areas, where compulsion has not been applied, societies of parents, organised under the auspices of the Department of Co-operative Credit, have bound themselves, under penalty, to send their children to school for the full four years' primary course. There has been an increase of 18 per cent. in the number of pupils in secondary schools : and of 27 per cent. in the number of girls undergoing instruction of all kinds. The number of teachers trained annually has risen in the triennium from 2,235 to 3,225, that is by 44 per cent. A further movement towards the reduction of illiteracy has been inaugurated by the Ministry of Education in the establishment of schools for adults, of whom there are now over 40,000 undergoing instruction. The aggregate increase in three years in the number of persons receiving instruction is 150,000 nearly twice as great as the greatest increase in any other Indian Province. In the region of Higher Education, the completion of the University Chemical Laboratory, the opening of the MacLagan College for Mechanical Engineering, the establishment of five Intermediate Colleges for men and one for women, are among the achievements of the Ministry. These facts show what can be done, under a so-called dyarchical system, in a period of financial stress, by a judicious enthusiasm and a courageous perseverance.”

In India, as elsewhere, before education can become universal, some judicious measure of compulsion will have to be applied. This is not going to be an easy thing, for, quite apart from the thinness of the population of wide areas in India, which itself presents the administration with

an immensely difficult problem, all sorts of economic, social and even religious consideration stand in its way. A consideration of only one or two aspects of this problem will show something of its complexity. In the first place, the teachers are not available in the numbers which would be required. For any great expansion they will have to be trained, and before they can be trained they must be recruited. For a number of reasons teaching is not a popular profession in India. Its pecuniary rewards, generally speaking, are low and teachers are not held in the high esteem to which the nature of their profession ought to entitle them. Then, too, wherever primary education is compulsory and widespread it is based very largely on the services of women. But in India, as is well known, it is likely to be many years, perhaps even generations, before the women of the classes from whom teachers would be normally recruited, are likely to be emancipated from the many disabilities under which they at present suffer and which make public careers impossible for them.

Again, there is the economic side of the problem to be considered. The vast majority of the scholars will belong to the rural population, *i.e.*, to the poorest section of the Indian people and from a very early age children are required to become an economic asset of their parents. In fact the problem of the extension of primary education in India is a whole bundle of economic, social and religious problems. Nevertheless, every province in India now has compulsory education in some of its areas. In the Punjab, for example, compulsory primary education is in force in 23 municipalities and 218 district boards. The general tendency, however, is to introduce compulsion only where, as in certain municipalities, a strong desire has been shown for it. The Provincial Minister for Education can then co-operate with the local authorities and help them to make it a success. A steady decentralisation of the control of primary education has been going on during the past five years all over India, the provincial governments making it over to municipalities and district boards, and many of these are now levying taxation to the maximum amount permissible in order to provide funds for education. There are at least one million more pupils under instruction in all India than there were at the beginning of 1921, and most of this increase is in the number of primary scholars.

Secondary education has not been neglected. Its general quality was, and still is, very poor, and most provinces have by now realised that as the vast majority of their scholars cannot go beyond the stage of secondary education, this should be as complete as possible and should not give merely the literary education necessary for entry to a University. In a number of provinces, Boards for Secondary and Intermediate Education have been set up, and progress is being made with the establishment of Intermediate Colleges in suitable places. These colleges will, it is to be hoped, gradually supply the need for vocational instruction, the lack of which is one of the great defects of Indian education at the present time. In several provinces, again, attempts are being made to locate High Schools on a system which will bring them into closer touch with and make them more accessible to the scholars in primary schools.

During the last five years also there have been several interesting developments in the education of adults. Adult education in India started in the cities. Bombay seems to have been the pioneer with its "Adult Education Association" and several other cities followed its lead. But enthusiasm was shortlived, and the movement languished in some places

where it had started. The reason for this, no doubt, was that the education contemplated by these associations was of the University Extension type and was suitable rather to English-educated men than to men who had been educated only in the vernacular. The movement, however, was carried to this latter class by private associations like the Seva Samati of Allahabad and the Social Service League of Bombay, which holds night classes for mill-workers and women. The education of adult illiterates also has now begun in Bombay, financed by a bequest of the late Sir Vithaldas Thakersey. About twenty-two schools for illiterate adults are now being managed by Government agency in the rural parts of the Bombay Presidency, and these show signs of growing vitality.

Perhaps the most interesting development of adult education in India is to be found in the Punjab. A part of the Government grants-in-aid to District Boards for primary schools has been earmarked for adult education. Provision has been made for seventy-five schools for adults in each district, and at the beginning of March 1925 there were no fewer than 2,723 such schools, with 61,961 pupils. The Punjab Government intends to establish night schools and village libraries—a very interesting parallel with the scheme recently adopted in Cambridgeshire—and the instruction of villagers in hygienic and agricultural subjects is also envisaged.

The utility of the compulsory principle to India at present consists in two things. In the first place, it enables the authorities to keep pupils under instruction until they have made real progress ; and in the second place, it leads to economy by concentrating the pupils into suitable centres. The former consideration has long been present to the mind of Indian educationalists ; and the unfortunate effects produced by stagnation in the lowest classes were pointed out many years ago. Even now, conditions are but little improved, for the Punjab Government lately noted : “ Past experience has revealed many distressing facts. Very many pupils do not proceed beyond the first class. It is obvious that a considerable proportion of these boys derive but little benefit from their schooling. If the real test of educational progress is the reduction of illiteracy, then the largest increase in enrolment can only be regarded as contributing towards that progress when the number of pupils in the 4th class approximates more closely to that in the first. Again, there are other pupils, who, though they remain longer and progress further at school will never attain literacy. And what is more disheartening is that there are still others who, on completion of the primary course, may be termed literate, but soon lapse into illiteracy after leaving the schools.” But where the compulsory programme is in vogue throughout, the authorities can be certain that the pupils will be retained under instruction for four years at least. This has enabled several provinces to overhaul their system of primary education in a direction leading to greater efficiency. In the Punjab, in particular, a great campaign has been undertaken against the inefficient one-teacher school. There is no doubt that the villager has in many places had just cause of complaint against the struggling one-teacher school with its neglected infant class, and its indifferently taught other classes. There is also little question that the stagnation in the first class and the failure of so large a proportion of pupils to proceed beyond it, were directly traceable, first to the lethargy which overtakes a teacher confronted with the impossible task of working single-handed in a school of 4 classes : and secondly,

to the operation of the grant-in-aid system, which affords no incentive for the promotion of pupils to the higher classes. In order to correct the former deficiency, vigorous measures have been taken by several local Governments. In the Punjab, the hope is commonly expressed that the one-teacher school will soon be a thing of the past. Attempts are also being made to recruit vernacular teachers from the agriculturist class, which is more closely in touch with rural conditions and best understands the needs of the village people. Further the majority of Local Governments have now overhauled the curriculum of their primary schools with the object of providing the village child with an education really suitable for his needs. The second of the two deficiencies we have noticed has also received attention : but the question of the revision of the grant-in-aid system, in such fashion as to stimulate the promotion of pupils to higher classes, is very difficult, and so far no effective solution has been devised. All these lines of progress have been accompanied, in many parts of India, with a great decentralization of the control of primary instruction. There is an increasing tendency to make over this branch of education more and more to the municipalities and the district boards, to whom the Education Departments act rather as technical advisers than as supervising agencies. As a result of this development, despite the reluctance on the part of local bodies to tax themselves, many district boards and municipalities all over the country are at present levying cesses to the maximum leviable figure with the object of assisting the institutions now made over to them.

It must not be forgotten that throughout a great part of the time during which the Reforms have been in action, the Non-co-operators made a dead set against the Government system of education, and deliberately tried to wreck it. But for this the progress detailed above might have been carried much further, but it is clear that during these five years considerable real progress has been made in this vital subject and the outlook for the future is hopeful.

An Examination of the Acts passed and resolutions accepted by provincial councils during the past five years reveals a striking dearth of any which bear directly on the economic welfare of the masses, particularly of the rural masses. Industrial development is now a transferred subject, but the Central Government may exercise supervision over industrial affairs when this is considered expedient. Every province now has its Department of Industries under the control of a Minister, and in each one a beginning has been made in extending technical education and fostering new or nascent industries. This is really all that the provinces can do in this respect since general legislation on the conditions of labour in factories and mines and on Trades Unions rests with the Central Government. But in agriculture, a subject over which the provincial legislatures now have direct control, the record of these years is disappointing. The total expenditure of all provincial Agricultural Departments is now about £600,000 per annum, that is about  $\frac{1}{4}$ d. per acre per annum. In certain provinces, notably Bengal, the United Provinces, and Bihar and Orissa, attempts have been made to reform tenancy laws with the object of improving the economic position and the status of tenants, but very little has been accomplished.

The most fruitful action on behalf of rural welfare has been accomplished through the agency of the co-operative societies, which, in all provinces, have been transferred to the control of Ministers. Through these

societies a good deal of quiet constructive work has been carried on. Their membership and capital grow steadily, and one of their primary objects is the encouragement of thrift by collecting small shares, receiving deposits and attempting to induce members to make compulsory contributions for special purposes. Agricultural non-credit societies are extending their operations every year. They undertake the joint sale of agricultural produce, the production and sale of implements and manures, the furtherance of irrigation projects, and the consolidation of holdings. They open dispensaries and schools; they assist the Agricultural Departments in spreading improved methods of cultivation; they maintain communications and build new roads. The co-operative movement has its own individual features in each province. In Madras, building societies, helped by the Government are very active; cultivators have formed societies to enable them to hold up their crops for a favourable market and the co-operative movement is spreading among the depressed classes. Bombay has developed co-operative banking, and implement societies, which hire and maintain expensive agricultural machinery. In Assam, the Department of Agriculture has been amalgamated with the Co-operative Society. Some of the money-lenders of Bengal have even taken to investing money in the co-operative societies, and in Bihar and Orissa a society has been formed to undertake farming on a large scale. In the Punjab, particular attention is being paid to the consolidation of holdings and much valuable work has been done already in this respect. In one village which was consolidated two years ago, the rent of the area treated is reported to have doubled. A Mortgage Bank, assisted by the Government, has been opened to provide long-term credit for redeeming the heavy mortgage debt of the Province, and to finance large schemes of agricultural expansion. A very promising feature of the co-operative movement everywhere is the growing number of voluntary workers. Here, if anywhere, is a subject to which provincial councils can devote themselves wholeheartedly, and in which they ought to give support entirely uninfluenced by communal or class bias to their ministers who are in charge of the co-operative movement. The co-operative movement started in India about twenty years ago, and the progress made is already impressive. But if they were backed by their councils and steadily supported in their policies, the ministers in charge of the movement could accomplish in a year almost as much as has hitherto been done in a decade.

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## CHAPTER IV.

### FOREIGN AND POLITICAL RELATIONS.

*The Indian States.*—The outstanding feature in the relations between British India and the Indian States since 1921 is the creation of the Narendra Mahal—The Chamber of Princes. The Act of 1919 envisages a united India, although, of course, the terms of union of its component parts were not and could not be stated in the Act. But clearly the Indian States could not be ignored altogether, even at the present stage, and, therefore, the Chamber of Princes was brought into being in order to provide a definite point of contact between the whole body of Ruling Princes and the Government of British India. Speaking at the opening of the Second Session of the Chamber of Princes at Delhi on the 7th of November 1921, Lord Reading drew the attention of the Princes to the deeper implications of the Chamber's existence :—

“ That, Your Highnesses ”, he said, “ brings us to Reform in another of its aspects, Reform as an answer to the awakened consciousness of the people. These forces cannot be bidden to halt. They must be faced and dealt with. I know full well that you have already reflected deeply upon them and that they will continue to engage your attention, so that when they present themselves to you for solution you may know the answer you wish to make.

Reform, as it affects Your Highnesses, has two aspects one affecting your relations with the British Government in India, and the other your relations with your own people. I am sure that Your Highnesses will already have realised that the place of the Indian States in the India of the future is a problem which it is difficult to solve and requires much thought. It must engage the attention of all Your Highnesses. For the present I will merely ask Your Highnesses to ponder the problem and to look ahead. We shall need your counsel.

As regards the second aspect of the problem, you will remember that my predecessor, Lord Chelmsford, referred to the subject of internal reform in the States in his speech at the opening of the Conference in November 1919. The advice was given by one who was a sincere well-wisher of your Order. I shall not at this early period of my Viceroyalty attempt to add to it. I merely remind you of it. Lord Chelmsford, though he was so largely responsible for the Reforms in British India, made no suggestion that you should copy them. The time and the place and the manner of change, if change there is to be, are in your hands. But the forces with which you have to deal are live forces. They need and they deserve careful study whenever they are at work. May you be guided to deal with them prudently and well ”.



Apart, however, from such wide considerations, the value of the Chamber for the material progress and administration of the States themselves should not be small. Their fiscal interests, particularly as affected by fiscal developments in British India, the development of Railway and Telegraphic Lines in their territory, and similar important matters appear on the agenda of the Chamber. The work accomplished by the Chamber during Lord Reading's Viceroyalty was summed up in his speech to its members on the 25th of January 1926 :—

“ Let me now turn to our more domestic concerns. While the greater part of the resolutions of the Chamber have had reference to the policy of the Government of India in dealing with the States, to which I will return later, a few resolutions have dealt with questions primarily of interest to the States as a whole and the States *inter se*. I allude to resolutions such as that to appoint a Committee of Ministers to report on certain questions regarding extradition, excise regulations, and boundary disputes, or that to appoint a Committee of the Chamber to investigate questions of riparian rights. I believe there is a considerable field for work of this nature. It can be conducive of nothing but good. It tends to promote understanding, for there can only be general understanding where individual points of view have had an opportunity of being expressed and understood.

Let me now refer to the discussions regarding the policy of Government in relation to matters affecting the States as a whole and Imperial or British Indian interests at the same time. I allude to subjects such as Railways, Telegraph lines, Wireless communication, Postal arrangements and Mining concessions which have been the subject of resolutions. Policy in these cases directly affects British India as a whole. At the same time, several of these questions have aspects of importance impinging on Imperial interests. Many other subjects have an often unsuspected relation to Imperial affairs, as for example even subjects of apparently minor importance such as the employment of Europeans, which have been discussed in the Chamber, have connections not at first obvious with Imperial policy because the employment of aliens, often a question of importance when war breaks out, is included in the subject.

More limited in scope, in that they deal with the policy of Government in relation to the States only and have no connection with public affairs in British India, are another class of resolutions such as those dealing with the terminology used in addressing Ruling Princes and the Governments of States, the period of limitation in seeking remedy by appointment of a Court of Arbitration and certain aspects of policy regarding agreements to be concluded with States in the case of young Rulers.

Certain resolutions are limited also in another way, in that they deal with questions of interest to one Local Government or to individual Local Governments, such as for example the resolution regarding visits of Ruling Princes to certain sanatoria in the United Provinces, and that relating to the

acquisition of immovable property in British India. These questions, though of interest to all the Princes, are primarily only of interest in British India to the Local Government within whose administration a hills sanatorium lies or within whose administration a particular Prince may seek to acquire immovable property.

Of interest in another way was the resolution regarding Radio broadcasting. This is a new subject. Its regulation is still fluid in the world and in each individual country. It is important that some uniformity be quickly secured as best can be arranged. The Chamber gives the opportunity of speedily bringing a large number of Princes into direct touch with new developments and of hearing their views.

The activity of the Chamber was of particular interest to me in two questions of considerable importance. The Government of India appointed two Committees—one to deal with the press regulations in British India and the other to deal with fiscal policy. The work of these Committees attracted immediate attention among the Princes and resolutions in regard to both were passed by the Chamber. In the first case the resolution led to immediate action by my Government ; and a further resolution of the Chamber expressed gratitude at the action we had taken, in the teeth of considerable opposition, as exemplified in the Indian States Protection against Disaffection Bill. Fiscal policy is a more complicated question which cannot be solved without most careful examination. The subject has been under the consideration of my Government and especially of the Departments concerned since the last meeting of the Chamber. I am however not yet in a position to announce a conclusion. After searching the resolutions of the Chamber I fail to find ground for the forecast of some of its more virulent public critics that it would devote the main part of its energies to securing individual privileges.

After a careful review of the work of the Chamber I arrive at the conclusion that the Chamber is successfully fulfilling those very objects for which it was constituted. I hold that the ideals have been clearly kept in mind and that there has been no falling away from the high purpose cherished for the Chamber at its inauguration. I earnestly trust it may avoid possible dangers in the future, as, for example, the serious danger of flagging interest which may be shown by scanty attendance at meetings or in a minor degree by lack of promptness in dealing with the business of the Chamber as, for instance, in confirming the proceedings of the Chamber. There is also the risk that activity in the Chamber may be too closely confined to a few Princes only. It is my conviction that the Chamber can only flourish if a considerable number of Princes from different groups of States take a genuine and lively interest in its proceedings and work for its success. To have influence it must be representative : and to be representative

the Princes generally must take an active part in formulating views upon questions under discussion.

I am convinced that the advice of the Chamber is and will continue to be of great and real value to the Government ; and I likewise feel strongly that the Chamber opens up a wide vista of great activity in public affairs for the Princes as a whole and that its tendency must be to extend and broaden outlook and to give to the Princes as a body a larger and deeper interest in the progress of India and the destinies of the British Empire. I believe also that the existence of the Chamber helps to assign to the Princes and States a greater weight in the general scheme of Commonwealth of India which is due to their numbers and importance."

Before taking leave for the last time of the Princes, His Excellency once more referred to the theme which, it is obvious from his speeches, has lain uppermost in his mind, that is, the concurrent progress of the States with that of British India towards a democratic form of government :—

" Before I turn to other aspects of my personal relations with Your Highnesses " he said, " let me once more draw your attention to the observations made by me, when I first addressed you in November 1921 and again at the close of my speech to you in November 1924, regarding the reforms and the aspects in which they concern and must increasingly in future concern these States and their Rulers. I then drew your attention, keeping ever before you as your first consideration the happiness of your subjects, to the changing conditions in India and expressed my confidence that Your Highnesses would strive to meet them with sympathy and wisdom. These questions are worthy of your consideration. New currents of thought are seeking to find expression, and, in the fullness of time, as history has so often shown, they will find their true expression in a concrete form. I recognise that it is difficult to choose the proper moment to act and to act in the right manner. It is a difficulty which confronts the sagacity of all those called upon to rule. Rulers can but strive at all times, with understanding and sympathy, to the best of their ability and according to the dictates of their conscience, to guide these currents into those channels which are best calculated to secure the welfare and contentment of the people. I have made these observations in all friendliness, as one who speaks from his own experience and convictions and has the best interest of your Order at heart. I feel sure from my knowledge of Your Highnesses that when the need arises and the proper time comes, you will take what you conceive to be the right course in the true interests of your subjects and of your States."

The corollary of this community of interest in political progress of the Indian States and British India is a closer political relation between the Government of India itself and individual States and in this much progress has been made. His Excellency refers to this subject in the speech from which I have just quoted :—

" A question in which many of Your Highnesses have taken a keen interest is the simplification of relations between the

Government of India and the States. Last year I referred to the progress made in the establishment of direct relations between the Government of India and the various States previously in political relations with the Local Governments. I warned Your Highnesses against too sanguine expectations of an early completion of the process ; but the progress actually made has been considerable, bearing in mind the dislocation and alterations in administrative machinery involved, and at the same time the change is working smoothly where it has been made and consolidated. The Punjab States Agency has been in existence for some time and in November 1924 I inaugurated the Western Indian States Agency. The latter, so far as can be guessed in the short period, is working without any difficulty. Another branch of the same subject had relation to reducing the channels of communication between the Paramount Power and each State to a single link and the representations made centred round the Rajputana Agency. In this respect after a thorough examination and after consultation with the Secretary of State, it has been decided that, though it is outside the range of practical measures to abolish the post of Agent to the Governor General, it is possible, if the Princes concerned so desire, to create a new Second Class Residency with headquarters at Bharatpur for the conduct of relations with the States of Alwar, Bharatpur, Dholpur, Jhalawar, Karouli and Kotah. It must, however, be clearly understood that the Government does not intend to introduce this change unless it is in accordance with the wishes of the Princes concerned. No other change appears to be possible in this area ; and the change now explained, if adopted, must not be taken as giving any ground for anticipation that the post of Agent to the Governor General can at any time be abolished. Indeed I and my Government have come to the conclusion as the result of a careful examination of the question on present data that the Agent to the Governor General is an essential part of the machinery for the conduct of our relations with the States in the Rajputana area. I know that some of Your Highnesses have thought that this post was unnecessary, but let me remind you that while I and my Government are always anxious to meet the wishes of the Princes as far as we possibly can and have given many an earnest of our intentions in this respect, at the same time the responsibility for the direction and control of our relation with Indian States has been vested in my Government by the British Government ; and we are bound to set up and maintain the kind of machinery which in our view conduces to the most effective discharge of our responsibilities to His Majesty's Government."

The scheme for the Residency at Bharatpur has not yet materialised, but in addition to the Western Indian States and the Punjab States, an agency for the Madras States was established under an agent to the Governor General in 1923 with Headquarters at Trivandrum. Thus, during Lord Reading's Viceroyalty, many States have been brought into

direct relations with the Government of India, which formerly dealt with them through the intermediate agency of Provincial Governments.

The relations between Lord Reading's Government and the Indian States have been almost uniformly pleasant, although in one very important case, one less important, and one minor case, Lord Reading's Government had to take disciplinary action. The case of the Maharaja of Indore was the most important action of this kind which the Government of India has taken for some years. In the following communiqué issued on the 1st February, 1926, the Government of India announced that they had decided to appoint a Commission to enquire into the Maharaja's conduct and they gave him the option of intimating his desire that the committee should not be appointed :—

“ His Excellency the Governor General has decided that a Commission of Enquiry should be appointed to investigate the alleged connection of His Highness the Maharaja Holkar of Indore with the attempted abduction of Mumtaz Begum, and the murder of the late Mr. Bawla in Bombay on January 12th, 1925.

The Commission, if appointed, will consist of two High Court Judges, two Ruling Princes and a senior officer of the Political Department.

The procedure which will be followed is that which was laid down as a result of the recommendations made in paragraph 309 of the Montagu-Chelmsford Report for cases where the question arises of depriving a Ruler temporarily or permanently of any of his powers or privileges. The function of the Committee is to investigate the facts of the case and to offer advice to the Government of India.

Whenever the Governor General decides that a case has arisen for the appointment of a Court of Enquiry, the Ruler concerned has the option of intimating that he does not desire that a Commission should be appointed. His Highness the Maharaja Holkar has been informed of the conclusion at which His Excellency the Governor General has arrived.”

The Maharaja decided not to face the Commission and on the 27th of February, 1926, the Government of India issued the following communiqué :—

“ In the Communiqué issued by this Department on the 1st February 1926, it was stated that His Excellency the Governor General had decided that a Commission of Enquiry should be appointed to investigate the alleged connection of His Highness the Maharaja Holkar of Indore with the attempted abduction of Mumtaz Begum and the murder of the late Mr. Bawla in Bombay on the 12th January 1925. It was added that the Maharaja had the option of intimating that he did not desire the appointment of a Commission. The Maharaja was informed of this decision on the 27th January 1926 and the period of 15 days allowed for a reply was subsequently at the Maharaja's personal request extended up to the end of February.

Intimation has now been received from the Maharaja that he wishes to avail himself of the above-mentioned option and objects to the appointment of the Commission and that he has decided to abdicate in favour of his son. The abdication has been accepted by the Governor General in Council and no further enquiry into the Maharaja's alleged connection with the Bawla Murder case will now be made. A further communication on the subject will be issued in due course.'

Indian public opinion was almost entirely on the side of the Government of India in this matter, for, just over a year before, it had been deeply stirred by a notorious case in England and the country felt that Government as guardian of the welfare of India generally, was acting rightly in taking action calculated to check profligacy among the Princes.

The action taken against the Maharaja of Nabha in July 1923 was the result of a long career of wanton misrule which culminated in a series of outrages on the part of officials of the Nabha State towards the officials and subjects of the Maharaja of Patiala. In January 1923 complaints regarding these outrages were referred by the Government of India for investigation by a judicial officer of high status. However, in anticipation of the findings of this officer, the Maharaja of Nabha asked the Government to be allowed to sever his connection with the administration of the State. His Highness's request was acceded to and the administration of the State was handed over to the Government of India in trust for the Maharaja's infant son; the Maharaja binding himself to reside outside the Punjab and being permitted to retain his titles and salutes and to receive an allowance from the State revenues.

The third case referred to was the assumption of the management of Jashpua State by Government. In May 1922 certain Lutheran Indian Christians entered into a dispute with their Jagirdars. Certain disturbances occurred during which an Inspector of Police was beaten, one constable was shot dead, another was taken prisoner and arms were seized from the Police by the mob. In the attempt to suppress these disturbances the Ruling Chief of Jashpua ordered the administering of wholesale beatings to Christians without enquiry into their guilt and made a general attempt to suppress Christianity by intimidation and destruction of chapels. An investigation into the causes of the disturbances and matters connected therewith was made by the Political Agent, and His Excellency the Governor of the Central Provinces after careful consideration of his report formed the opinion that the Ruling Chief and his son had been guilty of serious maladministration. His Excellency, therefore, decided that the State should be taken under the direct management of Government. The Government of India considered this decision to be justified and approved the measures adopted.

In 1924 an authoritative decision was given by the Government of India regarding the right of Indian States to manufacture arms and ammunition and to import the same from sources other than the British Government in that year.

In 1924 the Resident at Baroda submitted a representation from the Baroda Darbar in which they requested that the arrangement made in 1879 whereby the Government of India undertook to supply the State

free of duty with arms, ammunition and military stores within its legitimate requirements, on the condition that the State would not procure such articles from any other quarter, or manufacture them for itself, be abrogated. The line of argument adopted was (1) that the arrangement was made merely in order to exempt such arms, etc., from the Arms Act, 1878, and that it did not affect the Darbar's inherent right to manufacture arms and ammunition or to obtain them from any quarter which might appear suitable to them, (2) that the State enjoyed less favourable treatment in this matter than other States, and (3) that the arrangement in question was made during a minority.

In reply the Resident was informed that it appeared to the Government of India unnecessary to discuss the question of inherent right, as the arrangement made in 1879 was conclusive. That arrangement, though made during His Highness's minority was held to have been ratified by the Government of Baroda by their acceptance of the benefits it was intended to confer on the Baroda State, ever since His Highness's investiture in 1881. It was understood, also that in 1882 the Baroda Government co-operated in giving effect to the general policy by prohibiting the import of arms by sea for purposes of trade except from Bombay under license. As regards the Darbar's argument that they enjoyed less favourable treatment in this matter than other States, so far as the Government of India were aware, no other State exercised the right in question, and the mere fact that the Government of Baroda had supported their request by an appeal to supposed precedents was sufficient to show what the consequences of creating a precedent would be likely to be.

During Lord Reading's Viceroyalty the principles relating to the construction and maintenance of Railways, Telephone and Telegraph systems in Indian States have been standardized and codified, and as we have seen, the Chamber of Princes now forms a convenient body for the discussion of such subjects.

Throughout his term of office Lord Reading has paid visits to States all over India and has entered into personal relations with their rulers. In his speech at the banquet held at Jamnagar on the 30th November 1924, His Excellency gave expression to his close personal interest in the welfare of the Indian States and their rulers :—

“ I have explained in my speeches at Rajkot my chief reasons for visiting Kathiawar and the Western India States at this time. For these same reasons the object of my journey could not in my view have been completely secured without a visit to Your Highness's State. In the first place, as I informed the Princes at Rajkot, it was my desire to inaugurate in person the new system of direct relations between the Government of India and the Western India States and to announce the reasons for the change and its scope. I wished also personally to assure the States and their Rulers of my interest and sympathy and of the concern of my Government for all that affects their welfare. This mission could not have been accomplished and concluded successfully without my paying a visit to Your Highness ; for Your Highness is among the Chief of those who have not only wished for the change but have worked for the change, and I now have the opportunity

of congratulating Your Highness on seeing the change actually come into operation and of expressing my confidence that Your Highness will be foremost in assisting the officers of my Government to work the new system successfully and to meet any difficulties or dispel any apprehensions which may be felt by any of the Rulers affected by it.

Another object of my visit was to make myself acquainted, as far as time allowed, with some of the important States in the new Agency and to obtain that clearer vision of their conditions and problems which only personal knowledge and touch can bring."

And there is no doubt that His Excellency's visits have helped to focus the attention of Ruling Princes on the main problem of devising a form of polity for India which shall include the Indian States and British India as indissoluble component parts. This theme figured prominently in His Excellency's speech at a State Banquet at Hyderabad on the 23rd of November 1923 :—

"It is not only in time of war that the Indian States have their lot and part in India as a whole. On her general prosperity and contentment, as Your Exalted Highness observed, depends their well-being. As she advances and prospers, as she gains in importance in the Empire, as she attains a loftier place in Imperial Councils and a higher degree of respect in the eyes of the nations of the world, in such measure is there likewise increase in the position of the Indian States which form so important a part in her entity. In British India my Government is striving to give India a wider field of self-expression, to use for her advancement the best that is in her, and by extending the association of Indians with the administration and with the representation of her interests in the Empire to help her on to the goal which all who love her would see her reach. It is for this reason, among others, that specially I value my visits to Indian States. I wish to associate the States and their Rulers in these ideals and let them share in my hopes and aspirations. I regard it as important to keep them well-informed of the movements which are tending to India's progress and advance. For the great place which awaits her in the Empire should be filled by a United India, by India as a whole."

In the last days of Lord Reading's Viceroyalty some very important correspondence between H. E. and H. E. H. The Nizam of Hyderabad was published by the Government of India. The subject of this correspondence was the rendition to Hyderabad of the province of Berar which is now attached to the British Central Provinces.

The British connection with Berar is bound up with the history of the Hyderabad Contingent. By a treaty of 1800 the Nizam was bound to provide a considerable force to co-operate with the East India Company's troops in the event of war, and the maintenance of order in the Hyderabad State depended very largely on his army. A reasonable degree of military efficiency was therefore necessary if the Nizam was to fulfil his obligations and if his power was to be saved from falling



to pieces. It was the failure to attain this degree of efficiency which led to the formation of the Contingent. Until 1853 the Contingent was a part of the Nizam's army, although for some time before that date it had been controlled by the British authorities through the Resident in Hyderabad. For the Hyderabad army, like the armies of some other Indian Princes at that time, was not regularly paid, and the soldiers were exposed, in consequence, to great hardships. In 1842, on representations by the British Resident in Hyderabad, the Government of India allowed him to advance the pay of the Hyderabad troops from his own treasury in urgent cases. This permission was the beginning of a series of events which culminated sixty years later in the perpetual lease of Berar to the Indian Government. Advances of pay to the Hyderabad troops had to be made continually, and the debt of the Nizam to the Government of India grew large. By the early fifties it had become clear that this state of affairs must cease. Consequently, after long negotiations, a treaty was concluded in 1853, by which the Nizam assigned Berar and certain other districts to the exclusive management of the British Resident at Hyderabad for the purpose of paying the contingent and meeting various charges including the liquidation of the outstanding debt of about five millions of rupees.

In 1860 the treaty was revised. Some territory was given back to Hyderabad and it was made clear that the remainder of the assigned districts were to be held in trust for the payment of the Contingent and certain other charges which had been specified in the treaty of 1853. Lastly, in 1902 these districts were leased in perpetuity to the Indian Government for an annual rent of 25 lakhs of rupees. Clearly, the question of Berar is now governed by this agreement, and events which occurred prior to 1902 are of no more than historical interest.

The recently published correspondence between Lord Reading and His Exalted Highness the Nizam of Hyderabad on the subject of the restoration of Berar to the latter, takes the form of two very voluminous letters from the Nizam, dated October the 25th, 1923, and September the 20th, 1925, and two replies from Lord Reading, dated the 11th of March 1925, and the 27th of March 1926. The Nizam's letters are largely occupied with historical arguments and carry us as far back as 1766. But, as we have seen, these have no practical bearing on the question at issue. The letters, however, raised two points of importance, which it is very necessary to examine. These are : first, the account contained in the memorandum attached to His Exalted Highness's letter of October the 25th, 1923, of the circumstances in which the agreement of 1902 was concluded between Lord Curzon and His Exalted Highness's father, and secondly, the claim made in the letter dated September the 20th, 1925, that in the internal affairs of Hyderabad the Ruler of the Hyderabad State stands on the same footing as the British Government in India in respect of the internal affairs of British India. Neither of these points will stand examination.

By 1902 it was found that the administration of the Hyderabad contingent and of Berar under the old arrangements was not economical and was in some respects lacking in efficiency. On the side of Hyderabad it was desirable to replace the fluctuating surpluses which the State received under the treaties of 1852 and 1860 by a regular and definite sum, since the State finances had suffered from the irregular nature of

these fluctuating surpluses. Lord Curzon, accordingly, opened negotiations in January 1902, but he did not go to Hyderabad until March, when the Nizam—the father of His present Exalted Highness—had for two full months been in possession of the proposals which were to be discussed. His Exalted Highness in the present correspondence has tried to show that his father was overawed by the great genius of Lord Curzon and that he did not properly understand his position under the existing treaties. But his father's own note, which he had recorded after the interview, shows that he understood his position perfectly, whilst the following facts show that he confirmed the 1902 agreement in circumstances in which he was entirely free from any possibilities of being influenced by Lord Curzon. Lord Curzon did not press for an immediate answer. He, to quote from his minute of the interview “more than once asked His Highness to be sure that he was not yielding under any pressure that he might after regret.....” and said that he “would sooner, even now, abandon the scheme altogether than that it should be thought or said that His Highness had entered into it either to please me.....or from any sense of constraint.....” In reply, Lord Curzon notes, “His Highness more than once assured me.....that he had considered every aspect of the case, and the decision.....was based on his own free will and on the best interests of his State.....”

Even this acceptance was treated as purely informal and it was not till some weeks later that the Nizam was asked for a formal confirmation. He took more than two months to reply. The agreement was not officially confirmed by him till July. It was not until November 1902, nearly eight months after the interview, that the agreement was finally signed. The concluding paragraph of a letter from his minister dated July 4th, 1902, shows the spirit in which the Nizam accepted the proposals :—

“In conclusion His Highness desires to tender to His Excellency the Viceroy.....his most cordial thanks for the great friendliness and courtesy that have been shown to him in bringing to an amicable settlement this most important matter.”

All these facts speak for themselves and ought finally to dispel the myth that Lord Curzon forced the 1902 agreement on an unwilling Nizam.

There is no need to dwell at length on the second point arising from His Exalted Highness's letter, for Lord Reading has adequately disposed of it in the following words in his letter of March 27th, 1926 :—

“In the paragraphs which I have mentioned, you state and develop the position that in respect of the internal affairs of Hyderabad you, as Ruler of the Hyderabad State, stand on the same footing as the British Government in India in respect of the internal affair of British India. Lest I should be thought to overstate your claims, I quote Your Exalted Highness's own words ‘Save and except matters relating to foreign powers and policies, the Nizams of Hyderabad have been independent in the internal affairs of their State just as much as the British Government in British India. With the reservation mentioned

by me, the two parties have on all occasions acted with complete freedom and independence in all inter-Governmental questions that naturally arise from time to time between neighbours. Now, the Berar question is not and cannot be covered by that reservation. No foreign power or policy is concerned or involved in its examination and thus the subject comes to be a controversy between two Governments that stand on the same plane without any limitations of subordination of one to the other '.

These words would seem to indicate a misconception of Your Exalted Highness's relations to the Paramount Power, which it is incumbent on me as His Imperial Majesty's Representative to remove, since my silence on such a subject now might hereafter be interpreted as acquiescence in the propositions which you have enunciated.

The Sovereignty of the British Crown is supreme in India, and therefore no Ruler of an Indian State can justifiably claim to negotiate with the British Government on equal footing. Its supremacy is not based only upon Treaties and Engagements but exists independently of them and, quite apart from its prerogative in matters relating to foreign Powers and policies, it is the right and duty of the British Government, while scrupulously respecting all Treaties and Engagements with the Indian States, to preserve peace and good order throughout India. The consequences that follow are so well known and so clearly apply no less to Your Exalted Highness than to other Rulers that it seems hardly necessary to point them out, but, if illustrations are necessary, I would remind Your Exalted Highness that the Ruler of Hyderabad along with other Rulers received in 1862 a Sanad declaratory of the British Government's desire for the perpetuation of his House and Government subject to continued loyalty to the Crown, that no succession to the *masnad* of Hyderabad is valid unless it is recognised by His Majesty the King-Emperor, and that the British Government is the only arbiter in cases of disputed succession.

The right of the British Government to intervene in the internal affairs of Indian States is another instance of the consequences necessarily involved in the supremacy of the British Crown. The British Government had indeed shown again and again that they have no desire to exercise this right without grave reason. But the internal no less than the external security which the Ruling Princes enjoy is due ultimately to the protecting power of the British Government, and where Imperial interests are concerned or the general welfare of the people of a State is seriously and grievously affected by the action of its Government, it is with the Paramount Power that the ultimate responsibility of taking remedial action, if necessary, must lie. The varying degrees of internal sovereignty which the Rulers enjoy are all subject to the due exercise by the Paramount Power of this responsibility. Other illustrations could be added no less inconsistent than the foregoing with

the suggestion that except in matters relating to Foreign Powers and policies the Government of Your Exalted Highness and the British Government stand on a plane of equality, but I do not think I need pursue the subject further. I will merely add that the title of Faithful Ally, which Your Exalted Highness enjoys, has not the effect of putting your Government in a category separate from that of other States under the Paramountcy of the British Crown."

The decision of the Government of India in this matter was almost universally approved by the Indian press and Indian public opinion and the people of Berar themselves have expressed in no uncertain fashion their desire to remain under British Rule. Over a century ago a great struggle for supremacy was going on in the Deccan, in which Mysore, the Mahrattas, Hyderabad and the British Government were all engaged at different times. Of these four powers Hyderabad was unquestionably the weakest, and that it survives to-day as the premier state in India is due solely to the continued support of the British Power—a historical fact which admits of no denial. The British power and the Indian Army are still the guarantors of the territorial integrity and freedom from attack of the Indian States, and it is to them that the latter owe the peace in which they have lived for generations.

2. *Afghanistan*.—When Lord Reading assumed the Viceroyalty a British Mission under Sir Henry Dobbs had been three months at Kabul with the object of concluding a friendly treaty, but from various causes His Majesty's Government and the Government of Afghanistan had failed to come to an understanding, the Afghans persisting in presenting unreasonable demands. In April, 1921, the behaviour of the Bolsheviks towards the Muslims of Central Asia and particularly their treatment of Bokhara (whose independence they had promised to respect) induced the Afghans to favour the idea of an alliance with Great Britain. By May the Afghans were apparently prepared to effect an offensive and defensive alliance with Great Britain coupled with the rupture of relations with Russia, but the influence of the Russian representatives at Kabul caused Afghanistan to adopt an ambiguous policy. At this stage of the negotiations Lord Reading's concern was to avoid an open rupture with Afghanistan, an object which was not made any easier of attainment by the theft of the Mission Mail Bag which left Kabul on July 30th, 1921. The theft had obviously been committed with the connivance of the Afghan Government. In August Afghanistan signed a treaty with Russia, which, among other things, promised the Afghans a subsidy and supplies of munitions and aeroplanes. The Afghans declined to disclose to us the clauses containing the above promises and this produced a very difficult situation which was ended by our abandoning the attempt to secure a treaty of friendship under which Afghanistan would receive a subsidy, and instead trying for a treaty of ordinary neighbourly relations with no subsidy. Discussions regarding this new treaty began in September, but early in November the Afghans rejected it. The mission terminated negotiations and prepared for their departure from Kabul. However, at Sir Henry Dobbs' interview with the Amir for the purpose of taking leave of him, the discussions were unexpectedly resumed and on the 15th of November the Amir signified acceptance of the new treaty which was signed accordingly on the 22nd of November 1921.

The two Governments agreed to respect one another's internal and external independence ; to recognise boundaries then existent, subject to a slight readjustment near the Khyber ; to receive Legations at London and Kabul and Consular officers at Delhi, Calcutta, Karachi, Bombay and Kandahar and Jalalabad respectively. The Afghan Government are allowed to import free of customs duty such material as is required for the strengthening of their country. So long as the British are assured that the intentions of the Afghans are friendly, this proviso applies to arms and ammunition also. The export of goods to British territory from Afghanistan is permitted, while separate Postal and Trade conventions were to be concluded in the future. Further, each party undertakes to inform the other of major military operations in the vicinity of the border line.

In some irresponsible quarters there was much criticism of the treaty at the time of its promulgation but the events of succeeding years have shown that it would have been very difficult indeed, to devise a treaty which better suited the Government of India and His Majesty's Government. For by it we are committed to nothing and our responsibility for the welfare of Afghanistan is limited by considerations of the security and welfare of India.

Upon gaining control of her foreign relations Afghanistan had negotiated treaties with various foreign Powers and by the spring of 1922 was already represented by Ministers at Tehran, Angora, Moscow, Berlin, Rome and Paris. By the terms of the Treaty signed in Kabul in November, 1921, Great Britain was added to the list of Powers with whom the Afghans were to exchange diplomatic and consular representatives. Early in 1922 Abdul Hadi was appointed Afghan Minister at the Court of St. James and in March of the same year the first British Minister, Colonel Humphreys arrived in Kabul.

As soon as her old policy of isolation had been abandoned by Afghanistan, the extent of her dependence on India on whom she must rely wholly for means of access to the sea, and in great measure for communication with the outside world, was illustrated by various requests for assistance from His Majesty's Government, such as in the training of telegraphists and wireless operators, and the linking of Kabul with the Indian telegraphic system by a land line. The materials for this line were presented to the Amir by the British and Indian Governments, while the staff who erected it were also provided from India, though paid by the Afghan Government whilst employed in Afghanistan.

On the other hand in the development of his country and the education of his people the Amir pursued his policy of seeking assistance in other quarters than the countries confterminous with his own. Hence the presence in Kabul of Italian prospectors, German engineers, French professors, Turkish officers and American company-promoters invited by the Afghan Government to carry out their schemes for national development on modern lines.

Negotiations for an archæological treaty on the Persian model were undertaken with the French Government, by which France was to secure the same preferential treatment, amounting in effect to monopoly, as in Persia. On the whole the presence of foreigners in Kabul is a reason for satisfaction rather than the opposite, since the entry of Afghanistan into

the comity of nations is on all grounds desirable while acquaintance with representatives of many nations will enable the Afghans to decide from experience whom they can trust and respect. In June 1923 an Anglo-Afghan Trade Convention was concluded which put into formal shape the obligations accepted by the British Government under the treaty of 1921 in respect of goods in transit through India to Afghanistan.

During 1922 the Amir's attention had been turned to affairs in Bokhara where the Barmachis who were in revolt against the Soviet Government commanded the sympathy of their fellow religionists in Afghanistan. By the autumn of that year however, Enver Pasha had been killed in action and the eventual failure of the rebellion had become certain. Convinced that there was no advantage to be gained from further activities in this quarter the Afghan Government turned their eyes eastward to see if the British Government were more amenable to pressure. The leading Afghan newspaper the *Ittihad Mashriqi* assumed a violently anti-British tone and the summoning of tribesmen from the British side of the line to a great assembly held at Jalalabad by the Amir was intended to advertise the strength of Afghan influence on this frontier. The traditional policy of Afghan intrigue in Waziristan was resumed on an extensive scale.

In April two British officers Majors Anderson and Orr of the Seaforth Highlanders were murdered while walking alone in the evening at some distance from Landi Kotal by two Afghan Shinwaris.

This was followed by an even more sensational tragedy, the murder of Mrs. Ellis and the abduction of her daughter by a gang of Bosti Khel Afridis in revenge for a raid which had been carried out on the village of their leader Ajab Khan by the Frontier Constabulary a short time previously. Miss Ellis was recovered unhurt, and Ajab's gang were eventually driven into Afghan territory where they found a refuge close to the Indo-Afghan boundary. From this base they raised Parachinar and attempted to abduct Mrs. Watts, with the result that both she and her husband were killed. Protests against the new policy of the Afghan Government were at once made, and its dangerous consequences made clear to the Amir. As a result the Landi Kotal murderers were arrested but escaped from jail before trial. This produced a tense situation. Permission was refused for the transit through India of Arms purchased from France by the Afghan Government and the latter informed officially that their policy was regarded as unfriendly and provocative. At the same time the British Minister was instructed to present to the Afghan Government a formal note demanding :—

- (1) the re-arrest and genuine trial of the Landi Kotal murderers ;
- (2) such overt action in the case of the Kohat murderers as will convince His Majesty's Government that the Afghan Government is determined to prevent such criminals from endangering the peace of the Indian frontier from any refuge in Afghanistan. In satisfaction of this demand, His Majesty's Government were prepared to accept the offer of the Afghan Government to deport these five criminals to Turkistan on certain conditions.
- (3) complete cessation of anti-British intrigues in Waziristan, which would involve (a) the dismissal from the Afghan forces

maintained in the neighbourhood of the Indian frontier of deserters from the service of His Majesty's Government with an undertaking that these will not be re-employed in that neighbourhood by the Afghan Government and (b) the disbandment of all Mahsud and Wazir Khassadars in Afghan employ on the British side of the Durand line ;

- (4) satisfactory reparation for the Barshore, Spinchilla, Kurram and Abuzai outrages which had been carried out from bases in Afghan territory since 1921 and for which no satisfaction had been received.

3. As these demands had not been substantially complied with by the time that Captain and Mrs. Watts were murdered by Ajab Khan's gang, preparations were made for the withdrawal of the British Legation from Kabul. The application of this pressure produced definite results in reply to the several British demands :—

- (1) A genuine attempt was made to rearrest Ardali and Daud Shah, the Landi Kotal murderers. The former was killed and the latter escaped.
- (2) Afghan troops were sent to the frontier to bring pressure on Ajab's gang—three of whom, including Ajab himself, with their families surrendered to the Afghan Government and were deported to Turkestan where it was promised they would be kept under surveillance.
- (3) Assurances were given on this point which although not completely fulfilled were followed by a definite decrease in the intensity of Afghan intrigue in Waziristan.
- (4) British demands were met in these cases by the payment of compensation and the restoration of rifles.

Permission was accordingly given for the Afghan arms to transit India and the crisis passed.

For about a year after March 1924, Afghanistan experienced a Civil War when a large part of her southern province rose in revolt against the Amir and the Afghan troops experienced several reverses. At one time the rebels were astride the Kabul-Ghazni Road and reached Logar, within a measurable distance of Kabul itself. Throughout this troublous period Lord Reading's Government did all that was in its power to assist the Afghan Government and to prevent the Tribes on the Indian side of the Durand line from taking part in it. In December 1924 Sardar Muhammad Umar Jan, uncle of the Amir, left Afghanistan for Lahore on the pretext of his wife's illness and then announced his intention of cutting off all connection with Afghanistan. He applied to the Government of India for protection and assistance but they, in deference to the wishes of the Afghan Government, refused either recognition or assistance.

As a result of these friendly actions on the part of Lord Reading's Government, the relations between the Indian and Afghan Governments have been satisfactory during the past two years and marked by increasing cordiality. Russia's position has deteriorated steadily for the last four years owing chiefly to the excesses of Soviet troops against the inhabitants of

Muslim States bordering on Afghanistan, and a dangerous breach between the two countries occurred at the beginning of December 1925, when the Island of Urta Tagai the ownership of which has been the subject of dispute on and off for many years, was reported to have been suddenly seized by the Soviet Government by force of arms and the Afghan garrison expelled. Military preparations on a considerable scale were made in Kabul and several regiments and convoys of munitions were despatched northwards towards Badakshan. During January 1926, the relations between the disputants became very strained, but largely owing to the counsels of moderation of the British Minister in Kabul, negotiations between them were set on foot and on February the 3rd, both parties signed an agreement to the following effect :—

- (1) The Russians to evacuate the island immediately.
- (2) The Afghans to reoccupy the island with 50 soldiers.
- (3) A mixed Commission to be appointed at once to enquire into the responsibility for the December incident and to decide the ownership of the island.
- (4) The Commission to proceed to the spot and report within six months. If the finding be not unanimous, further discussions to take place in Kabul or Moscow.

Urta Tagai was reported to have been evacuated by the Russians and occupied by the Afghans on February the 28th, 1926, and the Afghan members of the Commission have left Kabul to take up their duties.

In 1925 a serious incident arose between Afghanistan and Italy. On July 27th, 1924, an Italian named Piparno in the employ of the Afghan Government, shot dead an Afghan policeman sent to arrest him. It is believed that he had no intention to kill, but fired from behind a closed door at which policeman were battering.

He was tried by three Afghan Courts and sentenced to death. Negotiations were commenced for the settlement of the case by Mohammadan Law and the payment of blood-money. These appeared to have proved successful and on February 4th, 1925, blood-money, reported to be Rs. 15,000 Kabuli, was paid and Piparno was handed over to the heirs of the deceased policeman. By them he was pardoned, but he was immediately rearrested by the Afghan officials and thrown into prison. Protracted negotiations then appear to have ensued between the Italian Consulate and the Afghan Government, until on the first day of the Ramzan (about 29th March) Piparno was apparently allowed to escape. He made his way as far as the Oxus, but there gave himself up to the Afghan authorities. He was brought back to Kabul and once more cast into prison.

On the 30th May after another trial he was again condemned to death and immediately hanged.

No intimation of this further trial had been given to the Italian Consul. On intimation of this execution being received in Rome, a note was presented by the Italian Government to the Afghan Government containing the following demands :—

- (1) A public demonstration in Kabul to protest against the execution.



- (2) The Afghan Foreign Minister to march to the Italian Legation with a company of Afghan soldiers and there salute the Italian flag.
- (3) Repayment of blood-money which, for the purpose of saving Piparno's life, had already been paid to the relatives of the deceased Afghan policeman in accordance with Afghan Law.
- (4) Payment to Italy of an indemnity of £7,000 sterling.

These demands and the high-handed action of the Italian Government in holding up a consignment of arms purchased in Italy by the Afghan Government on its arrival at an Indian port and appropriating the bank balance of the Afghan Minister at Rome, incensed public opinion at Kabul not only against the Italians but also against the subjects of other foreign nations, and the situation was critical for some time. Through the mediation of His Majesty's Minister at Kabul the original Italian demands were reduced to a visit of apology by the Afghan Foreign Minister to the Italian Legation and an indemnity and the Italians released the consignment of arms detained at Bombay. Meanwhile, however, negotiations did not proceed with the expected smoothness, and it was feared that diplomatic relations would be broken off between the Italians and Afghans. But, at the eleventh hour, the Afghans avoided diplomatic rupture by accepting the modified Italian demands.

Following this incident, another arose in November 1925, between Afghanistan and Germany. In November 1925 Dr. Sauer, a German or Czecho Slovakian shot an Afghan on the Peshawar-Kabul road. The facts of the incident are obscure, but it seems most probable that Dr. Sauer's motor-cycle frightened the horse of an Afghan rider who was thrown on the road. Dr. Sauer was threatened by the Afghan or thought he was, pulled out his revolver and shot him. The Afghan subsequently died. According to the version of the Afghan Government which appears to be correct, the German Charge d'Affaires made a clumsy effort to smuggle Sauer out of the country after having gone surety for his production in the Court. The case is still pending and Dr. Grobba, the German Charge d'Affaires, has been recalled by orders from Berlin.

The importance of these two cases, of Piparno and Sauer, from the British point of view is two-fold. First, they form precedents as to the rights and future treatment of foreign Christian subjects under Afghan law, and secondly they have tended to lower the prestige of Italy and Germany respectively in the eyes of the Afghans. Lord Reading's opinion was that anything like an attempt to force Capitulations on Afghanistan by means of pressure from outside should be strongly deprecated and that it should be left to the increasing sense of self-respect and the growth of civilized conditions in Afghanistan to bring into being a system of criminal procedure which will be acceptable to Western ideas.

These two incidents have greatly damaged the prestige of Italy and Germany in Afghanistan, and thus the close of Lord Reading's Viceroyalty sees the diplomatic position of His Majesty's Government in Afghanistan one of almost unchallenged pre-eminence.

3. *North West Frontier*.—The outstanding features of the history of the North West Frontier during Lord Reading's Viceroyalty will only be mentioned here in very broad outline. The unpromising state of frontier

conditions at the beginning of Lord Reading's Viceroyalty was alluded to in the opening remarks of this review and here it is enough to say that the last five years have seen a steady and great improvement. The number of tribal raids into British territory has fallen immensely and in fact Lord Reading leaves the frontier province in a happier condition than it has known for over a decade.

Interest chiefly centres in the progress of the policy of pacification of Waziristan and the political status of the North West Frontier Province itself. Different schools of opinion wished the Province either to be re-amalgamated with the Punjab or to be raised to the status of a Governor's Province with a dyarchic system, or else to be left more or less as at present.

The policy with regard to Waziristan was promulgated at the end of Lord Chelmsford's Viceroyalty. Briefly it was the policy of removing permanently the menace to our settled districts from the savage inhabitants of Waziristan by civilising the latter and giving them legitimate outlets for their strong characters and energies. The policy was to be carried into effect by the old and well-tried expedient of building roads. These roads would serve a double purpose. On the one hand they would enable the Indian Government to hold the most dangerous of the inhabitants of Waziristan—the Mahsuds—in a loose grip which could be tightened immediately in case of need. The knowledge that this was possible must have a steadying effect on the Mahsuds. Secondly the roads are bound to have an important influence in such economic development of Waziristan as is possible. There is practically no set-back to this policy to be recorded during the years of Lord Reading's administration. It is true that throughout 1921 there was almost continuous trouble in Waziristan. Irreconcilables from the fanatic colonies strove to keep alive opposition to the British Government. A regular campaign had to be conducted against the gangs who made their living by kidnapping British subjects and raiding the villages in the plains. Central Waziristan was particularly disturbed. Intensive campaigns were conducted against our lines of communication and attacks were made upon convoys and pickets almost daily. This, however, proved to be the end of the most serious trouble in these parts, for the end of 1921 saw the beginning of improvement, one of the most turbulent sections, the Abdullazais suing for peace on the 29th of December. In Southern Waziristan the process of pacification had begun earlier than this and by the beginning of 1922 troops on the Wano line had been withdrawn and replaced by Khassadars.

Troops remained in occupation of Mahsud country throughout 1923. The dominating position of Razmak in Waziri country to the north of Makin was occupied in January 1923 and a road to it from the Tochi was completed later and was afterwards taken on to join up with the road from Jandola at Sararogha, whilst a second road was made from Jandola to Sarwekai. Completion of these roads enabled the regular troops to be withdrawn. A strong post of scouts was located at Sarwekai to support the Wano Khassadars. The scheme of control, thus envisaged, depends on enlisting the tribes on the side of law and order by means of Maliki allowances and Khassadar service; providing a minimum of regular support in the form of Scout posts to ensure the Khassadars functioning and of linking up the Scouts with the regular troops in their peace stations.

The roads are thus an alternative for military domination, while Khassadar service in the protection of the roads provides a civilizing agency for the tribe as a whole. 1923 was an year of steady progress in the work of giving effect to this policy and by October His Excellency the Commander-in-Chief was able to motor through Waziristan from Dera Ismail Khan *via* Jandola, Razmak and Idak to Bannu. Evacuations of Marobi and Piazhra camps by the Regulars took place early in November, whilst the second stage of the withdrawal from Sararogha to Jandola was carried out during the first week of December without opposition of any kind. No active operations on a large scale were necessary, but there were, of course, a number of cases of sniping and one determined attack on a military picket. In the Tochi Agency conditions of increasing stability marked this year. Our position in the Khaisorawali and Razmak was consolidated and there was practically no friction between the local troops and the local inhabitants.

So far has the policy of pacification of Waziristan proceeded by the end of Lord Reading's Viceroyalty that it has been found possible to open up schools in the Shirani country to the South of Waziristan proper ; in the Daur villages of the Tochi valley, in Jandola, and even at Karamma and Maidan, whilst two more will be opened at Sarwekai and Wana. It is expected that schools will shortly be opened in connection with the Khassadar Serais to be built at Razmak and Sararogha.

Through the kindness of the authorities concerned urgent cases among the local population are sometimes admitted for medical treatment to military and scout's hospitals at centres in both the Northern and Southern Waziristan agencies, whilst there is a Civil Hospital in Miranshah. In view of the great political value of medical assistance, it is hoped to start Civil Hospitals at different places in Waziristan very soon.

It is too early yet to say what the economic effects of all these improvements will be on Waziristan, but they must be great. A Jirgah of Mahsuds actually gave a garden party in Tank in March 1926 to the Chief Commissioner of the North West Frontier Province and it was clear both from the entertainment itself and from the sentiments expressed by Mahsud Maliks that a new spirit has already come into being in Waziristan.

Another development, which must have very important consequences on the history of the Frontier and of Anglo-Afghan relations, is the building of the Khyber Railway which was opened on November the 2nd, 1925. The opening ceremony marked the termination of five years of laborious work. The line, which is 27 miles in length, lies entirely in tribal territory and from the outset the construction was in the hands of the tribesmen themselves. The possible consequences of this penetration of the Khyber Hills by the Railway need not be developed in this place.

From time to time, during Lord Reading's Viceroyalty, the question of the political status of the North West Frontier Province has come to the fore. As a result of a resolution brought forward in the Legislative Assembly in September 1921 by Sir Sivaswami Aiyer, a Committee was appointed by the Government of India to examine the administration of the North-West Frontier Province. Among the most important of the subjects to which the enquiry was directed was an investigation of the working of the Province since its separation, the advisability of reamalgamation with the Punjab, and the possibility of the extension of the

Montagu-Chelmsford Reforms to the Frontier by the constitution of a legislature. In the spring of 1922, the Committee toured throughout the areas concerned, and recorded evidence from various quarters. Its sessions excited considerable interest, since the central question, that of the maintenance of the North-West Frontier Province in its present condition, or its amalgamation with the Punjab, showed signs of becoming a Hindu-Muslim issue. Broadly speaking, the Hindu element of the population both in the Punjab and in the North-West Frontier Province seemed, to judge from the evidence, to favour amalgamation. The Muslim element on the other hand was generally desirous of retaining the predominantly Muslim entity of the North-West Frontier Province in its present condition. In this connection it is interesting to notice that early in August 1922, the Punjab Legislative Council, owing to the Mussalman vote, expressed itself against the desirability of amalgamating the Frontier districts with the Punjab. The Committee's Report was published in March 1924. The British and the Muhammadan members of the Committee concluded that it was impossible to separate the administration of the five settled districts of the North-West Frontier Province from the political control of the adjoining unadministered tracts. In consequence, they recommended that the North-West Frontier Province should be retained as a unit separate from the Punjab. They recommended, however, certain changes in the administrative and legal machinery, which include the cautious application of the Reformed Constitution to the Province; the strengthening of the judiciary; and the application of the elective principle to local affairs. On the other hand, the two Hindu members of the Committee opposed the main recommendations of the majority. They favoured the handing over of the settled districts, and such transfrontier areas as are controlled by Deputy Commissioners, to the Punjab Government, while reserving for the Government of India, control over the existing trans-frontier agencies. In their view, the separate frontier province has proved a failure which involves a severe financial drain on India, and is accompanied by defects so grave in the administration of the settled districts that re-amalgamation with the Punjab is essential. The Government of India have so far expressed no formal opinion upon the proposals contained in the report. Again in February 1926, this question came before the Legislative Assembly when a non-official Muhammadan Member moved a resolution for the extension of the Reforms to the Frontier Province. Considerable interest in this resolution was aroused both in the Assembly and throughout the country, opinion crystallizing along communal lines, the Hindus objecting to the resolution, Muhammadans strongly favouring it. As a consequence of the walk-out of the Swarajists on March 8th, the discussion of the resolution, when it was resumed on March 17th, lost much of its interest. The non-official members of the House were predominantly Mussalman and when the leader of the non-official Europeans announced that he and his followers intended to support the resolution, its success was a foregone conclusion and its opponents did not challenge a division.

4. *Persia*.—At the beginning of Lord Reading's Viceroyalty Persia's relations with His Majesty's Government were somewhat ambiguous. Throughout the greater part of 1921, Raza Khan was establishing his position in Persia. He resolutely set himself against employing British Officers in positions of command in the Army and generally worked to

undermine their authority, with the result that the services of all the British officers were finally dispensed with and their contracts cancelled, and the South Persia Rifles had also to be disbanded—a difficult and delicate task which was successfully completed by November 1921.

Throughout 1922 anti-British feeling prevailed in the country and on occasions became pronounced owing to the action taken in Europe against certain hostile Mujtahids and owing to the Turkish success against the Greeks and the supposed unfriendly attitude of His Majesty's Government towards Turkey and Muslim States generally. Bitter comments were made against British concessions and institutions and against the British position generally in Persia, and a determined effort was made to keep the British out of the Oil Concession in North-Persia and to get rid of British Port Officers and British troops in the Persian Gulf. Bolshevik agents made full use of the situation in their efforts to foment anti-British feeling, though they failed to arouse any real friendly feeling in the country for Soviet Russia. Even Reza Khan, who recognised Persia's need for British friendship and assistance, frankly admitted that a revulsion of feeling in our favour depended a great deal on a satisfactory settlement of the Turkish question.

Early in 1922 the Persian Government protested officially against the presence of British troops on Persian soil and requested their withdrawal. The Government of India welcomed the prospect of relief from the expenditure involved, if Persia would give guarantees that adequate protection would be given to British lives and property and if order were maintained in the ports and the hinterland by a disciplined Persian force. The Home Government accepted, generally, the views of the Government of India and instructed His Majesty's Minister, Tehran, to this effect.

In February 1923 the Persian Government reiterated their request for the withdrawal of British troops from Persian ports and the Political Resident, Bushire, who was consulted, recorded his opinion that the withdrawal, admittedly so desirable in principle, would be indefinitely postponed if we continued to insist on the guarantees originally demanded. His Excellency the Viceroy was in accord with the Political Resident and after further discussion it was decided that the withdrawal should be effected in two stages of which the first would constitute a reversion to the situation immediately prior to the despatch of troops to Bushire in 1911.

His Majesty's Government considered, however, that this supreme concession on our part should only be made in return for an all-round settlement favourable to our desires, and in September 1923, His Majesty's Minister was informed that in the absence of any sign of such a settlement the time had not yet arrived to make this concession. His Excellency the Viceroy however was not disposed to adopt this view and the following telegram was issued to His Majesty's Secretary of State for India on the 9th November 1923. "Retention on present scale of troops in Gulf costs us jointly over rupees six lakhs per annum and we think that this expenditure might with advantage and should be greatly reduced for reasons which we have put before His Majesty's Government..... We should be glad of as early orders as possible as regiment in Gulf is due for relief next January and this operation, if carried out will certainly re-excite Persian resentment." The Home Government accepted the views of His

Excellency the Viceroy and His Majesty's Minister at Tehran was directed to make the announcement to the Persian Prime Minister in the manner best calculated to obtain the maximum result for this substantial concession. The Persian Prime Minister greatly appreciated this decision and pledged himself to see, so long as he remained alive, that our political prestige in the south and the Anglo-Persian entente did not suffer from this step.

The final phase of the withdrawal of British detachments in South Persia was concluded before the close of his Excellency's Viceroyalty.

The question of the disposal of that part of the Nushki-Mirjawa-Duzdap Railway which lies in Persian territory has come under discussion from time to time during Lord Reading's Viceroyalty. The question of dismantling the railway was discussed in 1921, and to some extent favoured on strategical as well as economic grounds by the Government of India, since the railway was a financial loss so far as the revenue derived from commercial sources was concerned, and it was extremely improbable that the Persian Government could purchase it even should they wish to do so. It was further considered anomalous for His Majesty's Government to maintain troops within Persian territory for ensuring the safety of the railway and of controlling the local tribes. The cost of this control was a further argument for the withdrawal of British authority and the destruction of the railway as far as the frontier of Baluchistan at Mirjawa. The Persian Government showed itself to be averse from the continuation of British control in the Sarhad and certain Deputies in the Majlis began to ask questions about this interference with Persia's sovereign rights.

Early in 1922, however, the trade returns for Duzdap and the Persian Customs returns began to show a marked increase, and His Majesty's Consul in Sistan reported that with suitable reduction of working expenses and withdrawal of British troops from Persian territory, the railway could, in his opinion, be put on a firm financial basis. The railway itself was shown to be a great help to the development of British trade with East Persia; and the extent to which Persian and Indian merchants in Kerman and Yezd as well as Meshed and Khorassan began to use the Duzdap Railway in preference to the route from Bundar Abbas greatly increased the railway receipts both for imports and exports. The Persian Government also benefited from this increase, since the Customs Receipts for Duzdap for the year 1922 were calculated at approximately 8,000,000 krans. A further argument against the destruction of the railway was the small break-up value in comparison to the original cost of construction. The estimated value in each case for the Mirjawa Duzdap section being :—

	Lakhs of rupees.
Gross construction cost .. ..	80
Net break-up value (after deducting cost of dismantling) .. ..	2 $\frac{3}{4}$

It was therefore proposed by Lord Reading to offer the railway free of cost to the Persian Government, provided that the latter agreed to maintain order in the Persian Sarhad after the withdrawal of British troops from East Persia, in order to enable the railway to continue in

operation, to pay the cost of maintaining the section within Persian territory from the Duzdap Customs receipts in return for the traffic receipts for the Persian section, to allow the North-Western Railway to control the operations of the line and to fix the traffic rates and to admit the right of the Government of India to cease operating the Nushki-Mirjawa section if these conditions were not fulfilled. These proposals, with the added proviso that the Government of India should have the right to sell their section of the line to a private company if they wished, were terminable by either side at six months' notice. The question of the fate of this stretch of line is still under discussion at the close of Lord Reading's Viceroyalty.

Early in the summer of 1925 it was obvious that the corruption and incompetence of the local Persian officials had brought the Sarhad tribes to the limit of their patience. It was also reported that the troops and tribal levies had received no pay for 6 months. Finally the tribes broke into open rebellion and invested the Persian garrisons. The situation for some time was critical and the tribes threatened to destroy our railway from Mirjawa to Duzdap if the Persians were allowed to use it to send supplies or reinforcements to the troops. Steps were taken by the Government of India to protect our nationals at Duzdap and the Mirjawa-Duzdap railway and a force of infantry and aeroplanes was moved up to the Persian border. Eventually, owing to the efforts of the local British officials, the tribes were kept in restraint. But again in the spring of 1926 the dis-satisfaction of the tribes, whose allowances were again heavily in arrears, led to a position bordering on rebellion and His Excellency pressed upon His Majesty's Government the necessity for taking action at Tehran to obtain from the Persian Government an assurance of such measures of security in the Sarhad as would ensure the safe working of the railway from Mirjawa to Duzdap : failing which it might become necessary to cease to operate the line.

A matter of considerable interest in Indian Commercial circles was the proposed introduction in May 1925 by the Persian Government of a Bill to create a Government Monopoly of sale, purchase, transport and export of sugar and tea, the proceeds to be utilised for the improvements of internal means of communication and the abolition of internal tolls. In reply to an enquiry from His Majesty's Secretary of State for India, His Excellency telegraphed on the 11th June that "the monopolies will affect and possibly prejudice between one-fifth and a quarter of our total export trade to Persia. We cannot therefore regard principle of Bill with approval, but under existing treaties no protest seems open to us. We should like to be informed as early as possible of the way in which monopolies will operate." At a later date the Minister reported that the Persian Government proposed a plan for the abolition of road tolls and Navaquil, etc., and the introduction of a compound road tax to be levied at the frontier on all gross imports and exports on a stated scale and His Excellency again found it necessary to emphasize the effect of these proposals on Indian trade with Persia. In a telegram, dated the 23rd September 1925, His Majesty's Secretary of State for India was informed that while agreeing that construction of railways, improvement of roads and abolition of internal tolls are most desirable and should greatly facilitate commerce, His Excellency considered that the proposals penalized Indian trade inequally and formed a disproportionate levy on Indian trade as

compared with trade to Persia from other countries. His Majesty's Minister, however, pointed out that the monopoly had been in operation for 4 months and the time for protest was passed and His Excellency agreed, therefore, that the matter need not be pressed, but supported the view taken by the Colonial Office, and as a result the instructions were telegraphed by the Foreign Office to His Majesty's Minister to notify the Persian Government that His Majesty's Government were prepared to recognise the imposition of this surtax if it were imposed equally at all frontiers ; if it were devoted exclusively to railway construction, and if His Majesty's Government were given the right to demand its reduction if it were found to have the effect of greatly diminishing the import and consumption of sugar and tea in Persia, and also to recommend the imposition instead of a surtax at low rates on all imports. As a result His Majesty's Minister at Tehran was able to secure a reduction of the tax on tea but objected to the publication of the new rate in India pending the passing of the bill by the Majlis.

5. *Nepal*.—The most important feature of the dealings of Lord Reading's Government with Nepal has been the promulgation of a new treaty between His Majesty's and the Nepal Governments. In May 1921 Lord Reading's Government addressed the Secretary of State on the subject of abolishing Article VII of the Segowlie Treaty of 1815, by which the Nepalese Government agreed not to employ Europeans or Americans without the consent of the British Government. Lord Reading's Government felt that this article was somewhat derogatory to Nepal in view of the latter's present status and also that the Article was of no practical use, as there had been no need to exercise the power of veto in recent years.

In January 1922 the British Envoy in Nepal reported that the Nepalese Prime Minister had raised the question of a new treaty and in February the British Envoy in Nepal prepared a draft treaty for the consideration of the Government of India. This contained an unequivocal declaration of Nepal's independence and also an important Article relating to the import of munitions of war into Nepal—a question on which the Government of India's policy was not settled. Negotiations between Lord Reading's Government, the Secretary of State, and the Nepal Government continued for almost two years and resulted in a treaty signed in December 1923 and ratified on the 8th April 1925 between His Majesty's Government and the Government of Nepal. By this treaty each has agreed to inform the other of any friction or misunderstanding with states whose territories adjoin their common frontiers. The British Government acknowledge the right of Nepal to import through British India arms, ammunition and warlike material so long as they are satisfied that the intentions of the Nepal Government are friendly. In its turn, the Nepal Government has agreed that the export of arms and ammunition across its frontier shall be prohibited. Other articles of the treaty provide for the free passage through the Indian Customs of goods imported under the mark of the Nepal Government.

6. *Arabia*.—The question of the control of Aden has been under discussion for the greater part of Lord Reading's Viceroyalty. It lay dormant until December 1922 when it was re-opened by the Secretary of State who, in a telegram, dated the 6th December 1923, asked the following specific questions :—

- (a) what arrangements should be made for the Civil and Military administration in the event of India retaining Aden ;



- (b) would the Government of India accept an increased contribution from His Majesty's Government ;
- (c) would the Government of India propose to control not only the Protectorate but also the political relations with the Idrisi and Imam of Yemen as well ;
- (d) or do they contemplate return to pre-war conditions.

The Government of Bombay were asked for their views on these questions, but as the Secretary of State was pressing for a reply the Government of India without waiting for a reply from the Bombay Government communicated their considered views in their telegram of the 5th February 1923 and suggested a compromise of the very intricate question.

The reply of the Bombay Government which recommended the cession of Aden to His Majesty's Government and was the result of many months deliberation, came as a surprise to the Government of India who, in view of the strong local feeling on the subject, did not expect that the local Government would brush it aside and boldly declare that it would be to the interests of India if Aden was transferred to His Majesty's Government with the bulk of the expenditure.

A copy of the Bombay Government's letter was transmitted to the Secretary of State and in a telegram, dated the 11th June 1923 the Government of India stated that the change in the attitude of the Bombay Government was remarkable, but that it did not help to overcome the difficulty with Indian political opinion ; a significant indication that this remained unchanged was furnished by the marked approval, expressed by the Indian Members of the Inchcape Committee, of the compromise suggested by the Government of India in their telegram of the 5th February 1923. In order that a concrete scheme might be placed before the Legislature, the Secretary of State was asked for an early reply.

Summarised therefore the position may be thus described :—

- (a) *Political administration.*—This rests with His Majesty's Government in pursuance of the arrangement made in 1917.
- (b) *Civil Administration.*—Continues as always to be with the Bombay Government.
- (c) *Military Administration.*—The administration of the forces in Aden rests with the Government of India but the control of Military policy and operations or in other words, the responsibility of defence belongs to His Majesty's Government. Consequently, in effect, the military control of Aden rests with His Majesty's Government. The undesirable effects of this dual control of Aden on the military side was explained in detail to the Secretary of State in Army Department despatch No. 61/1922, dated the 19th October 1922.
- (d) *Financial Control.*—(a) An annual payment of £100,000 by His Majesty's Government is credited as a contribution towards the cost of Aden, but only £72,000 of this amount really relates to Aden. The balance of £28,000 represents part of a contribution towards the cost of the India Office recommended by the Welby Commission, which was for

purposes of convenience included in the same vote. During the war the expenditure of Aden increased considerably and the arrangement followed as to the incidence of the increased cost has been that India should meet the cost of the pre-war strength of the garrison subject to the contribution of £72,000, and that the cost of any additional forces maintained should be met in equal shares by India and His Majesty's Government.

The matter was further discussed with His Majesty's Government by His Excellency the Viceroy when he proceeded to England in the summer of 1925, when he took with him the memorandum and enclosure. So far no definite decision has been arrived at.

In addition to the question of Aden, certain important issues were raised for Lord Reading's Government by the hostilities between Ibn Saud and King Hussein. King Hussein received his first intimation of the imminence of an attack upon his territories from his son Abdullah. Almost immediately after his receipt of this news the Wahabi bands entered the foothills round his summer capital at Taif. Emir Ali, the King's eldest son, hastened with a small force to support the Taif garrison, but arrived to find the town at the mercy of the enemy who indulged in an orgy of bloodshed and pillage. Realising that it was a choice between evacuation and capture, Emir Ali retired on Mecca leaving the Wahabis to occupy the town on the 9th September 1924. His Majesty's Government had a message sent to Bin Saud at this stage requesting him to give an assurance that the British pilgrims to and residents in the Hejaz were secure from molestation by any tribe who owed him allegiance. His Majesty's Government also informed him that they attached the greatest importance to freedom of access to the Holy Places being enjoyed by British pilgrims.

About this time, too, His Majesty's Consul, Jeddah, in consultation with the Government of India arranged for the removal to Kamaran and elsewhere of pilgrims and refugees.

In September 1924 the Government of India communicated to the Secretary of State for India the following tentative appreciation of the various shades of Muslim opinion in India regarding the Wahabi threat to the Holy places :—" Sober Muhammedans regard present developments as likely to lead to further disintegration of Islam. Khilafatists, however, welcome success of Wahabis openly and hope to succeed in securing satisfactory assurances from Bin Saud in regard to safety of Holy Places and Haj routes. They are raising outcry at prospect of British rendering assistance to King Hussein or otherwise interfering in Civil War in Holy Land. Mussalmans generally would welcome King Hussein's removal from overlordship of Hejaz, as they feel towards him deep-seated hostility which has been recently strengthened by exaggerated reports of pilgrims suffering this season and for the moment this is dominant consideration among them. On other hand there is no genuine liking here for Wahabis owing to their past record and religious differences, and it is expected that large body of Sunni opinion would definitely assert itself against them if an advance on Mecca and Medina were accompanied by usual process of destruction and desecration. Bin Saud himself, though now

hailed by extremists, is suspect politically in the eyes of many in view of his past acceptance of British subsidy."

In October 1924 the Secretary of State informed the Government of India that both sides had been warned to take every precaution to safeguard the lives and property of any British Mussalman subjects who happened to be in the area of hostilities and that His Majesty's Government had made it quite clear that they adhered to their traditional policy of non-interference in religious matters and were not prepared to be entangled in any struggle for the possession of the Holy Places of Islam, which might be entered upon by independent rulers of Arabia. Throughout the greater part of 1925, this matter engaged the attention of Indian Muslims and led in one or two places in India to some tension between different sects of Muslims, but interest in the question has now died down.

## CHAPTER V.

### THE ECONOMIC LIFE OF INDIA, 1921—26.

Many of the activities which are of vital importance to the economic life of India are now, as we have seen, within the scope of the provinces and we have also seen something of their results there during the past five years, particularly in the case of rural welfare. In this chapter certain more general considerations will be dealt with, and the work of the Departments of the Central Government which affect the economic interest of India will be described.

Since the state of a country's finances is usually a good index to its general economic prosperity or otherwise, Indian finances will be discussed first. It is not necessary here to describe the financial arrangements between the Central Government and the provinces under the Reforms, but these must be borne in mind throughout the following discussion and in particular the Meston Award relating to provincial contributions to the Central finances must be remembered.

The budget of 1921-22, which was the first budget of Lord Reading's Viceroyalty, was also the first to be presented before the Legislative Assembly. For the twenty-five years preceding 1918, the accounts of the Government of India had consistently revealed great financial strength, but in 1918-19 an unfortunate change came over the situation. There was a deficit of Rs. 6 crores (£4,000,000). This was left uncovered. Next year, mainly owing to the unforeseen expenditure caused by the Afghan War, the deficit amounted to Rs. 24 crores (£16,000,000). The final accounts for 1920-21, swollen by the adjustments of various items, revealed a deficit of Rs. 26 crores (£17 1/3 millions). When the budget of 1921-22 was presented to the New Central Legislature, it was found that there was an anticipated deficit of more than Rs. 18 crores (£12,000,000). The proposals of Government for new taxation were accepted with few modifications by the Assembly. The changes were mostly under customs; and it was hoped that the year's revenue would thereby be assisted to a small surplus. Unfortunately the succeeding twelve months proved a period of most disastrous trade depression, which in combination with other adverse forces reduced the estimated revenue by Rs. 20 crores (£13 1/3 millions). The effects of the reduction were aggravated by an increase of expenditure: with the consequence that the revised estimates disclosed a deficit of Rs. 33 crores (£22,000,000). In these circumstances, Government decided to budget for a deficit in 1922-23, proposing to find Rs. 29 crores (£19 1/3 millions), and to leave the remainder uncovered. The Legislative Assembly became seriously perturbed and emphatically demanded thorough-going retrenchment. It insisted upon a general five per cent. cut in the expenditure of all civil departments. On the taxation side it rejected a proposed increase in the duty on imported piece-goods, and in the cotton excise. It also refused a proposed increase of the salt tax from Rs. 1-4 to Rs. 2-8 per maund of 82 lbs. The effect of these changes was to increase the estimated deficit from Rs. 3 crores to Rs. 9 crores.

The Government of India embarked with vigour upon the process of retrenchment. During 1922 every Department radically overhauled its

commitments with the idea of curtailing unnecessary expenditure. More important still, a strong committee presided over by Lord Inchcape devoted more than two months in the winter of 1922-23 to a minute and searching scrutiny of the expenditure of every department of Government. They recommended retrenchment to the extent of Rs. 19½ crores (£12½ millions) in the expenditure of the Government of India.

It was of course impossible, as the Retrenchment Committee themselves clearly realised, that the full value of the proposed reductions could be obtained in the first year of their operations. None-the-less, by strenuous efforts, Government succeeded in including the major portion of the proposals in their 1923-24 budget. In the non-military portion of expenditure, an immediate reduction of Rs. 6.6 crores (£4 2½ millions) was made. The total effect of these and certain other reductions may be summarised in the statement that as compared with the original budget estimates of expenditure for 1922-23 of Rs. 215.27 crores (£143½ millions), inclusive of the working expenditures of the commercial departments, the total expenditure of the Government of India in 1923-24, taking sterling expenditure at the rate of exchange of 1s. 4d. per rupee, was now estimated at Rs. 204.37 crores (£136½ millions), in spite of an increase of Rs. 1.75 crores (£1 1½ millions) for interest. Unfortunately even reductions so large were not sufficient to balance the revenue and expenditure during 1923-24. As against an estimated expenditure of Rs. 204.37 crores (£136½ millions), there was an expected revenue of Rs. 195.2 crores (£132 1½ millions). Retrenchment could go no further for the moment and so, as we have seen, the enhancement of the Salt Tax was necessary to achieve a balanced budget, which was at last reached after five years of deficits. The financial effect of these measures was apparent during the succeeding twelve months in the enhanced price of rupee securities. There was no longer any fear of Government's being forced to undesirable expedients, such as currency inflation, in order to meet their outgoings. On the 15th February 1923, the five per cent. tax-free loan, 1945-55 was quoted at Rs. 88.10. A year later it was quoted at Rs. 98. During this same period, the quotation for the five per cent. loan 1929-47 rose from Rs. 82.10 to Rs. 93.2. Further, the quotation for 3½ per cent. rupee paper rose from its lowest point of Rs. 52 to a maximum figure of Rs. 66.10 ; while in 1923, as will be made plain in a subsequent paragraph, the Government of India were able for the first time since 1919 to raise money by a long term issue.

During 1923-24 trade showed a steady revival. In the first ten months of the financial year, the surplus in value of exports of merchandise amounted to Rs. 103.47 crores as against Rs. 62½ crores in the corresponding period of the previous year. After allowing for imports of bullion, there remained a net balance of Rs. 63.42 crores in favour of India, as against 20½ crores a year ago. The volume of India's export trade continued to expand. The chief increase was under the head of grain and pulse, where in the first nine months of 1923-24 it amounted to 600,000 tons. But with scarcely any exception, every class of goods showed some increase. In imports also there was a serious decline only in a few cases. The imports of coal fell by exactly a third, or by 284,000 tons in the last nine months of 1923, when compared with the corresponding period of 1922. Grey twist and yarn and grey piece-goods also declined, but the quantity of practically every other class of imports increased. Prices of Indian product on the whole remained remarkably steady throughout

the year, with the exception of raw cotton, which had been subject to considerable fluctuations on account of the uncertainty, and eventual shortage, of the American supply. Food grains, on the other hand fell steadily after April 1923 ; and the wholesale price of cereals in Calcutta, in December of that year, was only 5 per cent. above the level of July 1914. Sugar showed a tendency to advance, while tea obtained record prices. In general, it may be said that the close of 1923 was characterised by somewhat firmer prices for Indian raw material in the chief markets of the world ; and there was a sense of security among producers and merchants.

The effect of these conditions upon the budget of the Government of India was elucidated in the speech delivered by the Finance Member, Sir Basil Blackett, on February 29th, 1924. The slow recovery of trade and the fall in prices of imported articles, led once more to disappointment in customs receipts. As compared with the budget estimate of Rs. 45.1 crores, the actual figures for customs receipts up to the end of January pointed to a net revenue for the year of Rs. 40—42 crores. Sugar provided Rs. 115 lacs less revenue than had been anticipated ; and while the volume of imports of other articles was in most cases not unsatisfactory, the amount collected on account of *ad valorem* duty declined. In the railways, on the other hand, there was an improvement anticipated to amount to Rs. 58 lakhs on the net receipts. Under the heads of interest, currency and miscellaneous the year 1923-24 showed an improvement of Rs. 1.42 lakhs over the budget estimate. This was largely due to the higher price for short money in London ; as well as to the fact that favourable opportunities for remittance enable the Government of India to build large reserves in sterling. In salt the results of the enhanced taxation proved disappointing. The budget provided for a total salt revenue of Rs. 11½ crores, but the actual receipts were about 8½ crores. Thus on the revenue side, as against the budget estimate of Rs. 134.9 crores it was anticipated that the figure at the end of the year would amount to Rs. 129.5½ crores. Fortunately, on the expenditure side the year showed considerable saving. The Budget provision for discount of Treasury bills proved to include a substantial saving. On 31st March 1922 the Treasury bills outstanding with the public had reached the formidable total of Rs. 54 crores. On the 31st March 1923 this figure had been reduced to Rs. 22 crores. It dropped by March 31st, 1924, to 2.12 crores and is now a negligible amount. Further, the favourable rate at which the new rupee loan was issued also resulted in a saving on the budget provision for charges connected with the loans in the current year ; but there was a small excess in the provision for sterling loans on account of the Government of India having raised £18,000,000 in London instead of £15,000,000 tentatively entered in the budget statement. On the whole, Government expected a saving of Rs. 74 lacs in the gross interest charges on debt. Under the head of sinking funds, there was a net saving of Rs. 80 lakhs, since the improved state of Government securities made it unnecessary to utilise any portion of the special provision made during the last two years for supporting the two long term five per cent. rupee loans. As against budget estimates of military expenditure amounting to Rs. 65.05 crores gross and Rs. 62 crores net, considerable reductions had been made. Full effect had been given to the reduction of British troops proposed by the Retrenchment Committee excepting in the case of one cavalry regiment ; and while the resulting economies would not fully accrue until 1924-25, the Commander-in-

Chief had found it possible to reduce the established charges of the military services in 1923-24 to Rs. 60½ crores as against the figure of Rs. 61.94 crores, included in the original estimate. There was a gain of three-quarters of a crore over the estimated credit for the consumption or disposal of surplus stores. On the other hand the estimate of special expenditure in Waziristan was about Rs. 2 crores as against the figure of Rs. 1.69 crores included in the budget ; while gratuities and payments to demobilised officers were found to cost Rs. 1½ crores as against the Rs. 62 lacs provided. All these figures included sterling expenditure converted into rupees at 16*d.* ; and on this basis the revised military estimate stood at Rs. 60.20 crores net. From this total, a sum of Rs. 46 lacs could be deducted from savings under the head of exchange, making the net figure Rs. 59.74 crores. Under other heads of civil expenditure there was saving of half a crore ; but the largest saving on the expenditure side occurred under exchange. For budget purposes during 1923-24 the figure assumed was 1*s.* 4*d.* ; but the average rate for the financial year was expected to work out at approximately 1*s.* 4½*d.* The resulting saving outside India amounted to Rs. 128 lacs. In addition there was a saving of approximately 50 lacs in respect to capital expenditure. Hence, as against an estimated expenditure of Rs. 134.09 crores, the figures for the year seem to indicate a revised total of Rs. 129.90 crores. Thus, at the time of the presentation of the budget of 1924-25, there was reason to believe that the year 1923-24 would close with a small deficit of Rs. 38 lacs. During the year 1923-24, the debt position had been overhauled, and systematic proposals had been formulated for its extension. The total debt of India on March 31st, 1924, amounted to Rs. 905.65 crores. Of this, Rs. 578.39 crores are classed as productive debt, and Rs. 228.45 crores as unproductive debt. The balance of Rs. 98.81 crores represents debt incurred on behalf of provincial Governments. Of the unproductive debt, approximately Rs. 98 crores represented the accumulated deficits for the five years ending March 31st, 1923. The building of New Delhi accounts for Rs. 9.85 crores. The remainder, Rs. 120.60 crores, may be said to be India's true War Debt. The Finance Member suggested in his Budget speech of February 1924 that it was reasonable to fix different periods for the redemption of different classes of debt. For productive debt, 80 years, in his opinion, were not too long ; for unproductive debt, a period of more than 50 years was scarcely defensible. Taking the periods named, and applying them to India's different classes of debt, and assuming further that the sums provided year by year are set aside to accumulate at 5 per cent. compound interest, it was found that the figure of Rs. 3.66 crores was the amount which must be provided annually, beginning with the year 1924-25, to redeem the whole debt within the assigned term of years. But the operation of this process during the next five years could be achieved more simply by an annual provision of Rs. 4.04 crores. It would, the Finance Member suggested, be desirable to arrive in the near future at a definite—perhaps statutory—programme for dealing with the redemption of the debt. The total expenditure for 1924-25 was estimated to amount to Rs. 104.57 crores. In order to meet this expenditure, the estimated revenue was as follows. The Finance Member announced that he expected a net customs revenue of Rs. 45.02 crores. He proposed certain small changes in the tariff, the most important being a reduction of excise duty on motor spirit at 4½ annas per gallon ; and the imposition of specific duties on empty match boxes and splints in order to protect the match revenue. Under the

income-tax he expected a total of Rs. 18.22 crores, a reduction of Rs. 85 lacs on the net revenue expected under the current year. He anticipated no material variation in the estimates under other heads of revenue, except under currency ; where the investments in British Treasury bills made out of the large sterling remittances effected in the current year were expected to yield about half a crore increase. On the assumption that the net receipts from railways were replaced by the fixed contribution of Rs. 4.27 crores on the basis of the separation between railway and general finance to which allusion has previously been made, the Finance Member arrived at a total revenue estimate of Rs. 107.93 crores. This gave on the basis of existing taxation a surplus of Rs. 3.36 crores during 1924-25, but the surplus actually realised was 5.68 crores.

To this surplus, which as Sir Basil Blackett emphasised, was a real surplus, there were two claimants, the reduction of provincial contributions, and the reduction of the salt tax. He proceeded to point out that if taxation were retained at the existing figure, and the surplus given away in whole or part to the provincial Government, there would be the hope of another small surplus in 1925-26. But if the salt tax were reduced to Re. 1-4 per maund, there would be an initial deficiency of Rs. 2.16 crores to face in that year. Further, an immediate reduction of the salt tax would enable the dealers to succeed in their plan in retaining for themselves part of what they ought to have paid to Government. Finally, he said, the reduction of the salt tax to the previous figure would proclaim to the Provinces that neither in 1924-25 nor in 1925-26 could the Government of India offer them any certain prospects of relief. But, he announced, since the Government realised that the retention of the salt tax at the current figure was a matter commonly regarded from a wider standpoint than that of pure economics, they had decided not to ask the House to continue the duty at Rs. 2-8 a maund. Their definite recommendation was that out of the surplus of Rs. 3.36 crores a sum of Rs. 1.82 crores should be applied to reducing the salt tax from Rs. 2-8 per maund to Rs. 2 per maund ; and that a sum of Rs. 1.50 crores should be applied to a reduction of provincial contributions. This would give immediate relief to four provinces reducing the contribution of Madras from Rs. 348 lacs to Rs. 268 lacs ; that of the Punjab from Rs. 175 lacs to Rs. 137 lacs ; that of the United Provinces from 240 lacs to 210 lacs ; that of Burma from 64 lacs to 62 lacs.

As was pointed out earlier in this report the Assembly did not deal with the budget in the manner which was generally expected. They used the opportunity afforded by its presentation to register a political protest ; and refused to consider its detailed provisions upon their financial merits. Two significant developments occurred during the period under review in connection with the relations between central and provincial finances. In November 1923, a conference between the Financial authorities of the Provincial and Central Governments passed a resolution recommending the appointment of an expert Committee on Taxation which should examine the manner in which the burden was at present distributed between different classes of the population ; should consider the whole scheme of taxation—central, provincial and local—with a view to its improvement ; should report on the suitability of new sources of taxation ; should advise on the machinery required for the collection of taxes ; and should, in general, survey the whole field of the demand of the State upon the subject with



the exception, to some extent, of land revenue. This committee was duly constituted under the Chairmanship of Sir Charles Todhunter, a distinguished member of the Indian Civil Service with considerable experience of financial problems. The Committee published its report at the end of February 1926. It was instructed to make no proposals for the introduction of new taxes except to replace revenues from taxes whose abolition or reduction was suggested. The recommendations made by the Committee are numerous and range over the whole field of Indian taxation, their general object being to strengthen the existing tendency of the Indian taxation system to develop in the right directions. There are some very important considerations in the report regarding the future financial relations between the Central and Provincial Governments and the whole body of suggestions which it contains will, of course, be carefully considered by the Indian Government. A second important topic which came under discussion during 1924 was a scheme for the establishment of a Provincial Loans Fund, the purpose of which is to systematize the arrangement by which advances are made to Provincial Governments from the Central Exchequer. A central Fund has been established out of which all advances granted by the Government of India to Provincial Governments will be made, the interest charges and the terms on which the advances granted for various purposes are to be repaid being fixed for all provinces alike at such rates as will keep the Fund solvent. This project is of importance for two reasons. In the first place, it will subject to definite principles the borrowing of the Provinces, instead of necessitating the passing of special orders by the Government of India for the rate of interest, the period of amortisation, and the general terms and conditions, of each loan as it arises. In the second place, the scheme contains within itself the germs of a noteworthy development. Sir Basil Blackett, in explaining it to the Assembly, stated that he looked forward to the day when the Fund would be administered by an Indian body corresponding to the National Debt Commissioners and the Public Works Loan Commissioners in England; the money required for advances from the Fund being raised in the open market by the controlling body on the security of its own assets. Considerable benefits, he believed, would accrue to the finances of India if the advances made by the Central Government to the Provincial Governments could be excluded from the Public Debt of the Government of India in the same way as advances made on the guarantee of the British Treasury to public bodies in the United Kingdom are excluded from the British Public Debt. The real facts regarding the Public Debt in India would be more obvious and the facilities for raising new capital would be widened, if so large a portion of the money required for capital development of all kinds had not to be raised, as at present is the case, by a single borrower, namely, the Government of India, on the sole security of the Indian revenues.

The financial history of the period we are now reviewing has been distinguished by one innovation of a far-reaching character, namely, the separation of railway finances from the general finances of the country. The effects of this change, from the point of view of Railway administration, will be examined later. Here we are concerned with its financial consequences. The proposal sprang in the first place, from the fact, forcibly pointed out by the Committee under Sir William Acworth which investigated the Indian Railway system in 1920-21, that the annual allotments for railway expenditure were determined from year to year with

less regard to the actual requirements of the Indian Railways than to the general financial position of India. The unhappy results of this arrangement, from the railway standpoint, were very clearly demonstrated in the Acworth Report. After investigating the matter fully, the Government of India came to the conclusion that the suggested separation would be entirely advantageous. Not only would it enable the railways of India to be financed as a business undertaking, but, in addition, it would relieve the Government of India of many difficulties and doubts. When the general budget incorporated the gross receipts and working expenses of the railways, the difference between good and bad trading seasons and good and bad monsoons meant a difference of several crores of rupees in the budget figures. Accordingly an arrangement was worked out by which the Railways should make an ascertained annual contribution to the general revenues ; and for the rest should enjoy the advantages of an entirely separate budget. The successful initiation of the proposed arrangement was by no means easy. The Legislative Assembly, when the proposal was brought before it in the first instance, reserved its opinion ; for there was a fear in the minds of many members lest the control which the Legislature had hitherto exercised over railway policy, might in some degree be weakened. In the Delhi session of 1924, no conclusion was reached ; but in September, after an interval in which the project had been fully discussed in all its aspects in the public press, a final settlement was happily arrived at. The Assembly recommended to the Governor General in Council that the railway finances should be separated from the general finances of the country, and that the general revenues should receive a definite annual contribution from railways which should be the first charge on their net receipts. This contribution was settled on the basis of one per cent. on the capital at charge in the penultimate year, *plus* one-fifth of the surplus profits in that year. The Assembly also stipulated that if, after payment of the contribution so fixed, the amount available for transfer to railway reserves should exceed Rs. 3 crores, one-third of the excess should be paid to General Revenues. This railway reserve is to be used to secure the payment of the annual contribution ; to provide, if necessary, for arrears of depreciation and for writing down capital ; and to strengthen generally the financial position of the railways. It was further agreed that a Standing Finance Committee for Railways was to be constituted, consisting of one nominated official member of the Assembly as Chairman, and 11 members elected by the House itself. The Members of the Standing Finance Committee for Railways are to be *ex-officio* members of the Central Advisory Council, which consists, in addition, of not more than one further nominated official member, 6 non-official members selected from a panel elected by the Council of State and 6 non-official members selected from a panel elected by the Legislative Assembly. Before the Standing Finance Committee is to be placed the estimate of Railway expenditure prior to the discussion of demands for grants in the Assembly. The whole arrangement was declared to be subject to periodic revision, but to be attempted as an experiment in the first instance for at least three years. In consenting to it, the Assembly made certain stipulations, and further pressed upon Government its views in the matter of Indianisation and stores-purchase. The general effect of this arrangement upon the finances of the country lies principally in the consideration that the Indian tax-payer is now assured of a regular and growing contribution in relief of taxation from his investments in railways ; while the task of maintaining a

continuous financial policy and of distinguishing between a temporary and permanent surplus or deficit in accounts is immensely facilitated.

The year 1924-25 saw the fulfilment of the hopes of a marked revival in trade which had been disappointed in 1922-23, and, to a less extent, in 1923-24. The steady expansion in the export of Indian-made piece-goods, particularly grey goods, was an encouraging feature. In the last months of 1924, certain of the commodities which India chiefly exports, notably jute, tea and wheat, rose in price, but cotton continued to fall. Imports displayed a similar advance, and the balance of trade in merchandise in India's favour up to the end of January 1925 was exactly the same as at the end of January 1924, namely, Rs. 103.5 crores. After allowing for a total import of bullion during the 10 months in question of Rs. 61.5 crores, there remained a net balance of Rs. 42 crores in favour of India as against Rs. 63.5 crores a year earlier.

The general effect of these conditions upon the finances of the Government of India was elucidated in the Finance Member's speech of February 28th, 1925. After a full discussion of the financial position he estimated that the Government of India could reasonably hope for a true recurring surplus of Rs. 2.68 crores. In accordance with the general policy already mentioned, Government recommended that the major portion of this sum should be devoted to the reduction of Provincial contributions. They decided to keep in hand a margin of Rs. 0.74 crores against possible disappointments or misadventures during 1925-26, and to apply the remainder, namely, Rs. 2.5 crores to the reduction of the Provincial contributions in accordance with the order of priority established under the Devolution Rules. In concluding his budget speech, Sir Basil Blackett remarked :—

“ those whose memory carries them back to the budgets introduced in the first Assembly in March 1921 and March 1922, and those who have as vivid a recollection as I have of the Budget discussions of March 1923, cannot fail to be impressed by the contrast between then and now. The members of the Assembly co-operated unhesitatingly with the Government in the unpopular task of making heavy additions to our taxation in 1921 and 1922. Two years ago when the Budget for 1923-24 was introduced, not only had we to contemplate the picture of five successive years of deficits aggregating nearly 100 crores, but we had still to face a serious gap on the revenue side of the account between our revenue and our expenditure in the year then ahead of us. In spite of drastic retrenchment involving the sacrifice of many useful and desirable objects of expenditure; in spite of the postponement of many items ultimately unavoidable with the certainty that the necessity of meeting them would add to the difficulties of succeeding years; and in spite of the heavy increase in taxation in 1921-22 and 1922-23 we found ourselves once again compelled to ask for the imposition of a further burden. Last year in presenting the Revised estimates for 1923-24 I was able to assure the House that our sacrifice had not been without reward, but it was still not possible to say with certainty that the year would end with an actual surplus of ordinary revenue over ordinary expenditure. Meanwhile in all the nine Provinces financial difficulties were beclouding the

bright hopes of those who had been responsible for the initiation of the Reforms. The Provincial Governments, and particularly the Ministers found themselves without the financial resources required even to maintain beneficial services at the level at which they found them. To-day we are in a happier position, and we can look back with quiet satisfaction on realised surpluses of substantial amounts both in 1923-24 and in 1924-25, the latter secure in spite of the reduction of the salt tax to the figure at which it stood before the increase made the year before. Better still, for the year now ahead of us we have not merely the prospect of securing a realised surplus once again, but we are also taking a real and substantial step forward towards the eventual extinction of the Provincial contributions, and are thereby giving new hope to those who are working the Reformed Constitution of India in the Provinces and fresh encouragement to devote their energies to the task of building up a new India without the exasperating restrictions imposed by financial penury. For this result we must pay the tribute of thanks which is so justly due to those who went before us. We are now able to appreciate in better perspective the value of the achievements of those who carried the burden in the dark and difficult years immediately succeeding the War. We are reaping to-day some of the fruits of the labours of the first Assembly, of Sir Malcolm Hailey, my predecessor in the office of Finance Member, and of the members of the Retrenchment Committee. I am sure that all of them will feel, on seeing our position to-day, that their labours have not been in vain. But if by contrast with the past our position now seems a brighter one, we cannot be blind to the vastness of the work still to be done. Apart from the Bengal contribution, there are still 6½ crores of Provincial contributions between us and the day when the Central Government's Budget can be balanced without assistance from Provincial sources, and the task of reducing the level of Central taxation actively begun. In all countries of the world, the war and its aftermath have raised the level of taxation high. Few countries have escaped as lightly as India, but the level of taxation here is nevertheless much above the pre-war figure. Our disposable surplus in 1925-26 takes us only a step towards our immediate goal. The steep hill which we have painfully climbed has but brought us within distant view of the higher peaks towards which we aspire. We have grounds to-day for sober satisfaction ; we have none for premature elation or for any slackening in our endeavour."

In opening the Delhi session of 1925 during which this speech was made, Lord Reading discussed the demand for the appointment of a Committee to investigate the questions of currency and exchange, and informed his hearers that Government hoped to announce the formation of the Committee twelve months hence. By August 20th, however, in opening the Simla Session His Excellency was able to make the following announcement :—

" When I addressed you last I dwelt at some length on the difficult questions of currency and exchange, and I announced the

intention of Government to appoint an authoritative Committee to consider the subject of the rupee exchange as soon as world economic factors appeared sufficiently stable to justify formulation of a new policy. Since that time, although conditions are in some respects still obscure, there has been one event in this field of outstanding importance, namely, the return of England to the gold standard. With the return of sterling to a parity with gold there is fulfilled one of the most important conditions requisite for a fruitful re-examination of our Indian problems.

'The position has been considered in consultation with the Secretary of State, and I am now able to announce that His Majesty the King has approved the appointment of a Royal Commission on Indian Currency. The terms of reference to the Commission will be—

'To examine and report on the Indian exchange and currency system and practice ; to consider whether any modifications are desirable in the interests of India, and to make recommendations.'

'It will be seen that the terms of reference are wide enough to admit the consideration of all important questions of currency policy, and that the membership of the Commission also ensures adequate representation of Indian opinion. I am glad to inform you that the Right Honourable Hilton Young will act as Chairman, and the following gentlemen have consented to serve as members of the Commission :—

Professor J. C. Coyajee,  
Sir Maneekji Dadabhoy,  
Sir Reginald Mant,  
Sir Rajendra Nath Mukherji,  
Sir Alexander Murray,  
Mr. W. E. Preston,  
Sir Henry Strakosch,  
Sir Purshotamdas Thakurdas, and  
Sir Norcott Warren.

The Joint Secretaries will be Mr. Aiyar of the Indian Finance Department and Mr. Baxter of the India Office. It will be apparent that every care has been taken to obtain an independent and impartial examination of this important subject. The Commission will, it is expected, commence work next October."

The work of the Commission is still continuing. The Budget for 1926-27, which was introduced in the Assembly on March 1st, 1926, shows a consolidation of the favourable position of Indian finance described above. The Finance Member was able to announce a realised surplus again for 1925-26. The trade figures of the year 1925-26 were generally satisfactory notwithstanding the severe difficulties which had beset the Bombay Cotton Industry. The issue by His Excellency of an ordinance suspending the

Cotton Excise Duty at the end of November 1925, however, should materially ease the situation. Speaking on December 14th, 1925, at the Annual Meeting of the Associated Chambers of Commerce of India and Ceylon, he explained Government's action in the following words :—

“ As regards the Cotton Excise Duty the statement issued by me at the time of the promulgation of the Ordinance will have made the reasons for my action clear. My Government was under a promise to remit the duty when financial considerations permitted its removal. At the time of the last budget we decided that considerations did not permit removal at that time and that preference in using surplus must be given to the remission of provincial contributions. The Legislative Assembly at the time made gestures in favour of abolition but were in substance in agreement with the course then taken. Meanwhile the situation of the mill industry in Bombay became serious. In September last the Assembly again discussed the question of the duty and voted for its suspension, with full cognizance that suspension would involve abolition. It was the middle of the financial year and the position as regards prospects and commitments was still uncertain. Ordinary legislation for the abolition of taxation would properly come under consideration only at budget time. We were not prepared, on the data then available, to commit ourselves in September last to abolition of the duty in the next budget ; and it was idle to consider suspension unless it was to be followed immediately by proposals for abolition. Later when the year had declared itself more fully, and we had more detailed estimates before us of financial prospects we determined that no serious financial risk would be incurred by suspending the duty forthwith for the remainder of the year, with the intention of proposing abolition in the next year ; and after consultation with my Government and reference to the Secretary of State and with their full approval, I at once took the step of promulgating an Ordinance to suspend the duty with effect from the 1st of this month. In view of various observations in the Press I desire to emphasise that the statement issued by me with the Ordinance contains a plain recital of the facts and reasons that led to my action. No conditions express or implied are attached to the suspension. The beneficial effect of this action in the situation in Bombay was immediate. I have been gratified to observe that the owners lost no time in meeting the grievances of the mill-hands and restoring the cut in wages. The strike has ended and the mills are at work again. The Associated Chambers have no doubt also read the statement issued at Manchester by the Cotton Spinners and Manufacturers Association on December 1st and have appreciated, as I have, the frank acceptance by Lancashire interests of the action we have adopted to carry out a long-standing promise and to ease the difficulties of our mill industry in India.”

In spite of a fall in values and the depression in the piece-goods trade, India's total foreign trade in the first ten months of 1925-26 amounted to 496.43 crores or only 16.81 crores less than the figure for the corresponding period of the previous financial year. The net imports of bullion

during the calendar year 1925 amounted to 80.92 crores of which 60.69 crores represented gold. This latter figure is the highest ever recorded. But the boom in the demand for gold had nearly spent itself in the first three months of the calendar year, and the imports of gold in the ten months of the financial year beginning on the 1st of April 1925, at 28.10 crores are 18.09 crores below the corresponding ten months of 1924-25. The visible balance of trade including private imports of treasure was in favour of India at the end of January to the extent of 85.82 crores of rupees—a figure which should be compared with 42.29 crores a year ago and 63.30 crores in the corresponding period of the year 1923-24.

The Budget for 1926-27 anticipated a surplus of 3.05 crores which includes the sum of 1½ crores for receipts from the Cotton Excise Duty.

The strength of the present financial position of the country is shown by the progressively falling rate of interest at which Government loans in India have been taken up by the public. In his Budget speech on March 1st, 1926, Sir Basil Blackett dealt with this point in the following words :—

“ Our conversion issues last summer were offered on a basis of 5 per cent. tax-free or about 5½ per cent. subject to tax. It is interesting to observe that the new 5 per cent. bonds subject to tax are now quoted in the market at a price showing a considerable premium over the issue price and our 5 per cent. tax-free loan, 1945—55, now stands definitely above par. The following figures showing the market prices of Indian Government securities in India for the last four years tell their own tale :—

	Market price on			
	1st February 1923.	1st February 1924.	1st February 1925.	1st February 1926.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
5 per cent. tax-free loan, 1945—55	88 4	96 10	97 15	100 12
3½ per cent. Indian Government Rupee loan.	57 0	66 0	66 9	70 8

While I am dealing with this subject I shall like to draw attention also to the movement of prices for Indian Government stocks in London, which brings out clearly the advance in the Indian Government's credit in that market which has resulted from the absence of any new borrowing since May 1923 and from the general improvement in India's financial position. As I pointed out last year, we were fortunate in the rate we secured in May 1923 for our last loan in London. Generally speaking prices of gilt-edged securities on the London market stood at a higher level at that period than they have done at any time since that date, when we offered £20 million of India 4½ per cent. stock to the public at 90. The market prices of gilt-edged securities in London including Indian Government loans are at all times governed by the general conditions of the market, and have during the last year been considerably affected by the comparative stringency which followed on the steps taken to

restore and maintain parity of sterling with gold. The following figures compare the price of India 3 per cent. and  $3\frac{1}{2}$  per cent. stock in London in April 1914, April 1923 and February 1926, with the prices of certain other gilt-edged securities at the same dates :—

				30th April 1914.	30th April 1923.	1st Feb- ruary 1926.
India 3 per cent. loan	..	..	..	75 $\frac{1}{2}$	60 $\frac{1}{2}$	58
India $3\frac{1}{2}$ per cent. loan	..	..	..	88 $\frac{1}{2}$	70 $\frac{1}{2}$	68
Local loans 3 per cent. stock	..	..	..	87	69 $\frac{1}{2}$	64 $\frac{1}{2}$
London County Council—						
$3\frac{1}{2}$ per cent. stock	..	..	..	97	79 $\frac{3}{4}$	73
3 per cent. ..	..	..	..	81	68 $\frac{1}{2}$	63

I give a further table comparing the price of India  $4\frac{1}{2}$  per cent. stock on 30th April 1923 and 1st February 1926 with the price of British Government  $3\frac{1}{2}$  per cent. conversion loan on the same dates :—

					30th April 1923.	1st Feb- ruary 1926.
India $4\frac{1}{2}$ per cent. stock	..	..	..	..	90 $\frac{3}{4}$	88 $\frac{1}{2}$
$3\frac{1}{2}$ per cent. conversion loan	..	..	..	..	81	76 $\frac{5}{8}$

It will be seen that, though owing to general market conditions the prices of Indian Government securities are lower now in London than they were either in April 1923 or in April 1914, the credit of the Government of India stands considerably higher in the market in relation to that of the British Government and other gilt-edged borrowers than it did either in 1914 or in 1923. Another rather remarkable conclusion which emerges from these figures is that the Government would at the moment at least have to pay rather a higher rate of interest for money borrowed in London than for a loan issued in India.”

The financial history of India during the years 1921—25 is thus a record of strenuous and successful efforts made by the Government of India and the Legislature to restore and maintain complete budgetary equilibrium, and of adherence to a policy which provides for reduction and avoidance of debt. There is no need for further comment on the present healthy state of Indian Finance as the facts speak for themselves.

In all departments of economic activity, the action of the Government of India during the past five years has been directed to bringing the country abreast of modern conditions, improving the organisation of individual departments, passing necessary legislation and the like. Perhaps in no direction has progress been so marked as in the administration of Indian Railways. It should be remembered that the Indian Government directly controls a number of railways in this country and that the declared intention of the Indian Legislature is to make state control of railways the general rule in India. The latest railway to pass directly under the control of the Government of India was the East Indian Railway which became State property in July 1925. The machinery by which the Government supervise the railway system has been radically overhauled during these years. The organisation now adopted marks the close of the Board system



of control, which had been in force since the Railway Board was first constituted. The old titles have been retained for certain statutory reasons, and the Chief Commissioner is President of the Board with the rank of Secretary to the Government of India. But the power of overruling other members has been vested in him, with the consequence that certain necessary changes have been made in the method of disposing work. The work of the Railway Department is divided between the Financial Commissioner and the two members of the Board on the basis of Financial, Technical, and General. The Board is assisted by four Directors for Civil Engineering, Mechanical Engineering, Traffic and Establishment. Each Director is responsible for one or more of the several branches of the office. The elaboration of the organisation by the appointment of four Directors is designed with the object first of relieving the Members of the Board from the less important part of their extensive business, and secondly of supervising and directing the work of the various committees which have been formed for the consideration of technical standards.

The re-organisation of the headquarters administration has been accompanied by changes on the Railways themselves. For some years past, it has been evident that the growing complexity of traffic problems and the modern advances in the science of transportation necessitated some adjustment in the controlling agency. The departmental system of administration has become unsuited to the working of an increasing traffic over large areas ; and the burden now falling upon the headquarters staff is so heavy as to render efficient control difficult. A careful analysis of the problem has indicated that the remedy lies in divisional organisation. This entails vesting the entire administrative responsibility for the movement and handling of traffic (including the direction of engine power and running repairs of engines and vehicles), and for co-ordinating these factors with the upkeep and improvement of way and works, in one single officer at headquarters, the Chief Operating Superintendent. At the same time, the responsibility for executive work of the same kind is placed on a single authority in each locality, termed the Divisional Superintendent. This form of organisation, which has been adopted extensively in America, South Africa and in other countries, soon proved of value after it had been introduced upon the Great Indian Peninsula Railway system in 1922 and it has since been applied to the North Western Railway in October 1924 and to the East Indian Railway in January 1925. It seems not unjustifiable to believe that a new era in the development of the Indian railway system is now commencing. In 1925, for the first time, a railway budget was prepared which dealt with railway business on its own merits, and was not dependent for its scope on the proceeds of general taxation or the receipts and expenditure in other Government activities. This, as we have seen resulted from the convention concluded in September 1924 between Government and the Legislative Assembly, under the terms of which the Railways make a definitely ascertainable contribution to general revenues year by year, and for the rest manage their affairs on commercial lines. What this measure of independence will ultimately mean, in affording freedom to the Railway Board and Railway Administrations to deal with their business upon methods which look first and last to the transportation needs of the country, can hardly be foreseen. For while it lays upon the railways a heavy financial obligation, which of itself encourages the Railway Board and the Agents to operate upon sound commercial principles it also enables the Railway authorities to look far ahead ;

to embark upon continuous and well thought out programmes of new construction ; and to enjoy the freedom so necessary if they are to devote all their energies solely to the development of India's railway property.

The influence of the Legislature upon Railway matters was not confined during the period under review to this great achievement. The Members of the Legislative Assembly in particular displayed the keenest interest in all matters connected with railway administration. During the year 1923-24, no less than 29 per cent. of the total number of questions asked referred to railways. During the budget discussion of 1924, railway matters occupied a considerable portion of the total time allotted. It should further be noticed that in connection with the convention for the separation of Railway from general finances, the influence of the Assembly over railway policy was augmented rather than diminished under the new system. Among other important changes provided for by the agreement was a modification in the constitution of the Central Advisory Council. This body, when first formed, had been evolved from the Railway Finance Committee, the members of which had been selected in connection with a resolution of September 1921, providing that the question of railway finance should be referred to a Committee. When the new Legislative Assembly met in 1924, a change was made in the composition of this Council ; and it was decided that it should be a committee of business men of the two Houses, with a few laymen representatives. In September 1924, Government accepted the Assembly's view that the constitution of the Central Advisory Council should be altered, so as to provide for the selection of its members from panels chosen by the Council of State and the Legislative Assembly, and for the creation of a Standing Finance Committee for Railways, whose Members will be *ex-officio* Members of the Central Advisory Council. It was further agreed that the estimates of Railway expenditure should be discussed with the Standing Finance Committee for Railways before the discussion in the Assembly of the demands for grants presented in connection with the Railway budget. The Assembly further took the opportunity to press upon Government its preference for the State management of railways, reserving to itself the right of terminating the convention if any of the railways now managed by the State were transferred to Company management. Government further agreed that no negotiations for any such transfer should be concluded until facilities were given for discussion of the whole matter in the House. At the same time, the Assembly urged upon Government the rapid Indianisation of the Railway services, the appointment of Indians as Members of the Railway Board, and the purchase of stores for State Railways through the organisation of the Stores Purchase Department of the Government of India.

The Legislature has continued to display great interest in the question of railway stores. The Railway Administration, during these years, has adhered to the policy of purchasing railway stores in India wherever possible. Unfortunately, the supply of suitable material is not at present equal to the demand. During 1923-24, out of a total purchase of stores to the value of Rs. 27.06 crores, the value of the imported material was Rs. 18.79 crores. In the supply of rails, for example, orders were placed in India during the period under review which were greater than the Tata Iron and Steel Company were able to comply with. An important development in this connection was the passage of the Steel Industry Protection Act in May 1924. This provides for a sum of 7 lacs to be set aside annually from general revenues for 3 years for the payment of bounties.

on wagons, in order to enable wagon building firms in India to compete with builders in other countries. The Act is designed to assist in establishing the wagon building industry in India ; and the bounty is payable on wagons which are ordered from such firms in India as comply with the conditions laid down in the Act. The maximum figure, payable in one year, being fixed as stated above at Rs. 7 lacs, limits the number of wagons to be built under the scheme to such a number as can be covered by a reasonable bounty per wagon ; but it is anticipated that it will allow of orders being placed in India up to the capacity of Indian firms engaged in the wagon industry.

The interest displayed by the Legislature in the Indianization of the superior staff of the railways has been manifested in increasing degree during Lord Reading's Viceroyalty. The subject was pressed upon the attention of Government in the discussions attending the separation of railway from general finances. A study of the statistics shows that progress in this direction is already appreciable. On State railways, other than the East Indian Railway—which has only just been taken over—Indians already fill over 30 per cent. of the gazetted posts. The Railway Administration has accepted the recommendation in the Lee Report that the extension of existing training facilities should be pressed forward as expeditiously as possible, in order that recruitment in India may be advanced as soon as practicable up to 75 per cent. of the total number of vacancies in the Railway Departments as a whole. Provisional proposals in regard to recruitment and training are at present under consideration between Government and the Central Advisory Council. The Legislature has complained that few Indians have risen to high posts in the Railways, and that there is no Indian Member on the Railway Board. In response to this complaint, Government reply that it is only in recent years that Indians have joined the gazetted ranks of Railway Officers in any number and that time must be allowed for them to find their way to the top. The question of training has also been under consideration for some time, and was examined in great detail in 1922 by a special officer. His report, with certain preliminary conclusions, was discussed by the Railway Board in the course of the year with the Central Advisory Council, and with the Agents of the principal railways, and proposals for comprehensive schemes which will train the staff in their current duties both with a view to improving their efficiency and giving them an opportunity of rising to higher positions were made. The aim is to establish in each of the State-managed railways a school at which all the subordinate staff will receive courses of practical and theoretical training in their work. One such school is already in existence at Asansol. An institution has also been opened at Chandausi, which will constitute at once a co-ordinating centre for the work of the other schools, and will also give courses of training for officers on State railways. It will, moreover, take charge of the training of young probationary traffic officers, supplementing their practical training on the railways by courses of study. It is hoped, by the arrangements now being instituted for the selection and training of officers and subordinates, that the needs of the indigenous recruits for railway service will be met more and more effectively as time goes on. In general, it is recognised that facilities can always be provided for training officers in the probationary period ; but that these facilities must be developed and increased.

During recent years, events have combined to bring the railway administration more closely into touch with public opinion. One effect of the

separation between railway and general finance will unquestionably be the provision of increasing opportunities for the Legislature to bring pressure to bear upon the railway authorities. During February 1926 the Assembly discussed for 4 days continuously the railway demands for grants ; and the Administration was challenged to justify its policy in many important particulars. Further, the fact that the Railway Budget is now divided into 15 separate votes, enables members of the Assembly to concentrate their attention far more effectively upon the details of the railway administration than has ever been the case before. We may also notice that the constitution of local Advisory Councils in connection with the majority of the larger railways is helping to bring railway policy closely into touch with the public opinion of the area served by each particular line. Railway administrative officers are thus afforded improved opportunities of meeting representatives of the general public ; and discussing with them such questions as the provision of increased facilities for lower class passengers ; time tables ; the remodelling of stations ; and projects for new lines and other subjects of interest to the public.

A great step forward in Railway development in India was taken in February 1925 with the inauguration of the electrified service on the Harbour Branch of the G. I. P. Railway. The completion and opening of the new service are of considerable significance in their bearing, not only on the transportation problem of Bombay, but upon the future of the Indian Railway system. The extent of the facilities thus placed at the disposal of the travelling public may be estimated from the fact that it will be possible to travel more than eleven miles at the cost of one anna. There can be little doubt that railway electrification in Bombay will do much to conduce to greater efficiency and better health ; for those who work in the crowded areas will find it possible to reside where the air is cleaner, space is cheaper, and opportunities exist for recreation. Provision was also made in the budget for 1925-26 for a sum of Rs. 1.03 crores for the electrification of the Great Indian Peninsula suburban line, and of Rs. 0.77 crores for the electrification of the Bombay, Baroda and Central India suburban line into Bombay.

Concurrently with all this varied developmental activities the construction of new mileage has been pushed on steadily and now with the new system of railway finance it is possible to plan for years ahead as can be seen from the programme of new construction set out in the railway budget for 1925-26. This programme will eventually cost more than Rs. 44 crores and includes 40 lines with an aggregate mileage of more than 2,000 miles.

The experience of India during the War had shown that state intervention on behalf of national industrial development was necessary. In February 1921, accordingly, the Secretary of State sanctioned the creation of a Central Department of Industries as a permanent branch of the Government of India. Its scope, as modified by the regrouping of subjects advocated by the Report of Lord Inchcape's Committee, now includes Industries and Industrial Intelligence ; central institutions for industrial training ; geology and minerals, together with the Geological Survey of India ; the administration of the Indian Mines Act, the Indian Explosives Act, and the Indian Petroleum Act. The Indian Factories Act, and other labour legislation also falls within its sphere, wherein are further included

patents and designs, copyright, legislation relating to electricity and steam boilers, stores, stationery and printing, inter-provincial migration, meteorology, civil aviation, posts and telegraphs, irrigation and public works.

With the introduction of the reformed constitution, industrial development became a provincial transferred subject. In consequence, the policy to be pursued in granting assistance to industries, the development of industrial and technical education, and to a large extent the research work necessary to establish the value of raw materials, are all controlled by Indian Ministers in charge of the Provincial Department of Industries. The constitution, however, permits the central Government to exercise supervision over industrial subjects when such a course is considered expedient. The necessity for such supervision is obvious. For example, pioneer industries may have to be established on a scale for which the resources of any one province would be inadequate ; while institutes for carrying on research for the benefit of the country as a whole fall quite beyond the scope of any one of the local Governments. Moreover, such questions as that of making India self-supporting in the matter of stores required for military purposes, must obviously be relegated to the consideration of the central Department. On the side of technical education and research, progress has been greatly hindered by the necessities of retrenchment. With a view to providing facilities for high grade instruction in mining engineering and geology, it was decided by the Central Government in 1920 to establish a School of Mines at Dhanbad in the province of Bihar and Orissa and this will be opened at the end of 1926. An equally important project for the establishment of a Chemical Research Institute has remained in abeyance altogether on account of the financial position. A revised scheme for the management of the Indian Institute of Science, Bangalore, which resulted from the recommendations of a special Committee of Enquiry is still under discussion, the delay in taking action being due to the fact that the parties legally competent to press for modifications of the scheme of management have not yet been able to come to an agreement on certain points. A promising beginning has been made in the grant of technical scholarships from the central revenues, in pursuance of a resolution passed by the Legislative Assembly early in 1922.

Among the proposals of the Industrial Commission which are likely to produce the most marked effect in the encouragement of Indian Industries, must be ranked the local purchase of Government and railway stores. The principle that wherever possible Government stores should be purchased in India has long been recognised. But in the absence of any institution for the amalgamation of indents and technical inspection during manufacture, this principle could be put into practice only to a limited degree. The difficulties were formidable. Manufacturing industries could not be started without a sufficient and continuous market while orders could not be placed so long as there existed no adequate means of manufacture. Accordingly, Government determined to institute a machinery for bringing Departments into effective touch with local manufacturers. This machinery soon evolved into the Indian Stores Department. The Retrenchment Committee did, indeed, recommend the postponement of further expansion of the Department, but after careful consideration, Government decided that development must proceed. In arriving at this decision, they were largely influenced by the fact that in the absence of a properly constituted Stores Department, with Intelligence, Purchase and

Inspection agencies it would be impossible ever to divert to the Indian mills and workshops the large indents now sent to London. Further, in their opinion, the quantities of stores at present purchased on Government and Railway account are themselves sufficient to justify the existence of the organization. The Secretary of State intimated his complete agreement with this decision, according his general approval to the organization of the Department on a permanent basis on the lines proposed by the Chief Controller of Stores. Branches have been constituted for the purchase of engineering stores and materials, and for the acquirement and dissemination of information regarding the actual and potential sources of supply in the country. Since its inception considerable progress has been made in the development of the Department by the creation of local purchasing branches at Calcutta and Bombay and inspection agencies at Madras, Bombay, Karachi, Cawnpore, and Delhi. As exemplifying the importance of the work at present performed by the Indian Stores Department, it may be mentioned that during the calendar year 1924, textile goods were purchased to the value of Rs. 1.27 crores; and engineering plant and materials and miscellaneous stores to the value of Rs. 1.08 crores. The value of the stores inspected by the various organizations comprised in the Department, excluding the Metallurgical Inspectorate, amounted to more than Rs. 2 crores. The Metallurgical Inspectorate dealt with nearly a quarter million tons of materials; while the number of tests, analyses, and investigations at the Test House and the Metallurgical Inspectorate amounted respectively to 5,238 and 3,977. Revised rules were promulgated during 1924 to regulate the purchase of stores by Departments of the Central Government and minor local Governments. The main features of the new rules consist in the assertion of a more definite preference for articles produced and manufactured wholly or partly in India, together with an important extension of the power to purchase imported stores. It may be mentioned that the Stores Department acts not only as agent for the purchase and inspection of stores, but also advises Departments which utilise its services as to the class of plant and material suitable for the purposes contemplated. It further frames precise specifications of the classes of stores to be purchased. Finally, it carries on a considerable volume of useful work by investigating the existing and potential sources of supply in India and in collecting and disseminating information regarding prices and the like.

Among the most noticeable features of India's industrial progress since 1921 has been the increasing strength of the provincial organizations. It would expand this Report to utterly unmanageable proportions, even if I were merely to attempt to give a catalogue of the activities of the different provinces. Here I can only mention that every local Government is now paying attention to the spread of technical education in all its branches, to aiding industries from provincial resources and to legislation on these and cognate subjects. There are, for example, schemes for the development of electric power being vigorously pushed forward in most provinces and of these the Mandi scheme, which will affect a good deal of the Southern, Eastern and Central Punjab and possibly in time even the Western Punjab, is, perhaps, the most notable. Nascent industries are everywhere promoted and directed, and in some provinces, notably the United Provinces, the attention which is now being devoted to the growth of cottage industries is of good promise for the economic welfare of the people. In fact, all possible avenues of industrial expansion from large

scale metal working and oil refining, to button and ink making, and the rearing of silk-worms are being explored. The Accounts of the Telegraph and Post Offices have been put on a commercial basis and the latest technical improvements in telephones and telegraphs have been installed whilst the mileage in both cases is being continually extended.

Changes of the first magnitude have taken place in the Indian Tariff system during Lord Reading's Viceroyalty. Here, as in other countries, the matter has a political as well as an economic side. For the last quarter of a century, powerful sections of Indian opinion have been demanding the formulation of some scheme of protection to safeguard the nascent industries of the country against the pressure of foreign competition. In consequence of the changed relations between India and Great Britain, India controls in ever-increasing degree her own fiscal policy. As a matter of convention, the Secretary of State for India now normally refrains from interference in fiscal matters when the Government of India and the Indian Legislature are in agreement. This has already resulted in endeavours to take stock systematically of the fiscal situation. In 1921, a Commission consisting both of officials and of representatives of European and Indian commercial interests, was appointed to examine, with reference to all questions concerned, the tariff policy of Government. The preliminary recommendations formulated in the report roundly urged the adoption of a policy of protection, to be applied with discrimination along certain general lines carefully indicated. In the selection of industries for protection, and in the degree of protection to be afforded, the Commission recommended that the inevitable burden on the community should be as light as was compatible with the development of the industries themselves. The report further recommended the creation of a permanent Tariff Board to investigate the claims of particular industries to protection, to watch the operation of the tariff, and generally to advise Government and the Legislature in carrying out the policy formulated by the commission. Certain canons were laid down for the guidance of the Tariff Board. This body was to satisfy itself that the industries seeking protection possessed natural advantages ; that without the help of protection they were unlikely to develop ; and that they would eventually be able to face world-competition unprotected. The Commission also proposed that raw materials and machinery should ordinarily be admitted free of duty, that semi-manufactured goods used in Indian industries should be taxed as lightly as possible, and that the industries essential for the purposes of national defence, for the development of which Indian conditions are not unfavourable, should receive adequate protection. Upon the question of Imperial preference, the Commission suggested that no general system should be introduced ; but the adoption of a policy of preferential duties on a limited number of commodities should be referred to the Indian Legislature after the Tariff Board had conducted a preliminary examination. It was stipulated that no preference should be granted to any article without the approval of the Legislature ; that no preference should be given in such a way as to diminish the protection required by India's industries ; and that no preference should involve on the balance any appreciable economic loss to the country. Any preferences which it might be found possible to give to the United Kingdom should, it was proposed, be granted as a free gift, but in the case of other parts of the Empire, preference should be granted only by agreements mutually advantageous.

The publication of the Report led to a protracted discussion. The landed and agricultural interests together with the European commercial community, which is predominately free-trade in its instincts, denounced the burden that a policy of protection would impose upon the consuming population of India. On the other hand, the majority of vocal political opinion joined with the indigenous manufacturing interests in condemning the report as being too cautious. From the discussion, two important facts emerged. First, that such Indian sentiment as found strong expression upon the tariff question was principally protectionist, and secondly that there was a general belief both among Indian politicians and Indian commercial magnates that a new day would dawn with the adoption of a through-going policy of protection. In other words, while the producer class of India has clearly perceived where its interest lies, the consumer class, which includes the mass of the population so far as foreign trade is concerned, takes at present but little interest in the tariff question.

The first steps in the direction of a protective policy were taken with due caution. Government fully realised the necessity for a change in the fiscal system since, as a result of certain modifications introduced into the tariff for purely revenue requirements, India was already under a species of protection, which possessed the disadvantage of being unscientific, haphazard, and insufficiently co-ordinated in respect of commercial considerations. On the other hand, the administration considered that it was its duty to safeguard, so far as might be, the interests of those persons who have so far displayed little appreciation of the damage which might be inflicted upon their interests from a policy framed for the benefit of the manufacturers and of the urban population.

Government accordingly accepted in principle all the recommendation of the report, but laid stress upon the fact that India's tariff policy must be guided by the requirements of revenue as well as interests of industry. Early in 1923, the Commerce Member of the Viceroy's Council put forward a motion in the Legislative Assembly summarising in this sense the policy of the Government of India. He announced, in addition, that the authorities had decided to constitute a Tariff Board as an experimental measure for one year. After an animated debate, in which the conflicting interests of commerce and agriculture found almost for the first time clear expression, the Assembly adopted the official motion as a reasonable compromise. Shortly afterwards, Government announced that they had appointed to the Tariff Board Mr. (now Sir) George Rainey, a member of the Indian Civil Service, and two non-officials, Professor Kale and Mr. Ginwala, both of whom possessed considerable experience in economic matters. The new Tariff Board proceeded to devote careful attention to the protection of the Iron and Steel Industry. After a careful and elaborate investigation extending over several months, they published a report which showed that the claims to protection put forward on behalf of this industry were not ill-founded. Development had recently been hindered by severe competition from abroad, coinciding with the commencement of large schemes of expansion. The authorities, with the full support of large sections of organised Indian opinion, took prompt action.

The recommendations of Government, which were based almost verbatim upon the conclusions of the Tariff Board, were submitted to a special session of the Indian Legislature fixed for May-June 1924.



A bill was introduced by Government, and passed by the Assembly and the Council of State, the object of which was to foster the development of the Steel Industry in British India. The duties on certain articles manufactured from steel were increased ; bounties were granted on heavy steel rails, fish-plates and railway waggons, manufactured in India. The duties and bounties alike were to be subject to revision after three years. The Steel Industry Protection Act, 1924, is a landmark in the history of the Indian tariff since it was the first step taken towards the adoption of discriminating protection. The duties mostly take the form of substituting specific rates per ton for *ad valorem* rates based on tariff valuations. It was anticipated that with the help which this protection would afford, the steel industry would be able, within three years, to attain its full production. It was also hoped that world conditions would probably be more stable after the lapse of the three years period, and that the data on which proposals could safely be based would be more satisfactory. In September 1924, however, it was found that owing to the fall in prices of Continental steel and the maintenance of the rate of exchange in the neighbourhood of 1s. 6d., the Indian Industry was in need of further assistance. The question was referred to the Tariff Board which again reported that the case was well-founded, and suggested enhancements of the import duty. The Government of India decided that further assistance to the Steel Industry could more appropriately take the form of bounties rather than of additional increases in duties. Such aid, while of immediate benefit to the industry, would not raise the prices of steel goods in the country. It was calculated that the utmost assistance which the local industry might obtain from the further increase in duty recommended by the Tariff Board, was some Rs. 50 lakhs within a year. The Government of India therefore proposed to grant a bounty at the rate of Rs. 20 per ton on 70 per cent. of the weight of steel ingots, suitable for rolling into articles already protected by duties in the previous May, and produced in India from Indian pig iron between 1st October, 1924, and September 30th, 1925. The funds for these bounties were available from the surplus Customs revenue realized from the increased duty imposed in May on the recent large imports of steel. In January 1925, the new proposals were laid before the Legislative Assembly and accepted by that body. It is further to be noticed that on the recommendation of the Tariff Board, the import duty on sulphur, which is an essential raw material for chemical and other industries, was removed, with effect from 9th June 1924. The Board, which has done very useful work since its inception, has recently received an extension of its activities up to the 4th July 1926.

These developments represent a definite step in the direction which Indian political sentiment has for long advocated.

Agriculture, as we have seen, is now a provincial subject, but the Central Government continues to exercise a powerful influence on the whole future of Indian Agriculture through its Central Agricultural Department whose primary task is the improvement of particular crops. Here again, considerations of space prevent me from surveying adequately this very important part of my subject, but the following observation on the work of the Agricultural Department in regard to the two principal cereal crops, the sugarcane crop, and the principal textile crop will give an idea of the sort of work which has been going on with increasing

momentum throughout the last five years. Of all the great crops in India, rice stands first in importance, and its yield is a vital factor in the country's welfare. Somewhat naturally therefore, much of the attention of the Agricultural Departments of the rice-growing Provinces is devoted to the evolution and introduction of improved varieties of the crop. In Bengal the heavy yielding races known as Indrasail, Dudshar, and Kataktara are now grown throughout an area of more than 150,000 acres. In Madras, the Central Provinces, Assam, and Bihar and Orissa some of the selected strains are still gaining ground. In Burma, the requirements of the foreign market, with which the Province is greatly concerned, are receiving their due share of attention. Hybridisation work conducted at Dacca has yielded a race of transplanted rice which is expected to meet the requirements of the uplands of Western Bengal. This variety, in addition to its desirability as a producer of heavy crops, matures early in October, which is a quality of particular value in the area for which it is designed. The improvements obtained from these new varieties are very remarkable. For example, in Burma, crops grown from the new races fetch a premium of between Rs. 10 and Rs. 15 per unit of 5,000 lbs. In the Central Provinces, one improved strain yields 470 lbs. of paddy more than the local variety per acre. Further, certain types introduced by the Agricultural Department in Bihar and Orissa have been found suitable for land too poor for local crops. From these examples, it is plain that the possibilities of improving India's rice crop by scientific methods are immense. The process will inevitably take time; for rice occupies a larger area than any other crop. But since it is used as a staple food by a high percentage of the population, the benefits to be derived from its improvement are immediate and far-reaching.

Wheat stands next to rice in importance in the list of India's crops. Unfortunately, Indian wheat is generally of low quality and does not command high prices in the foreign market. Accordingly Agricultural experts have directed their attention first to the evolution and distribution of strains possessing high yielding and rust resisting powers, improved strength of straw, and good milling and baking qualities; and secondly, to demonstrating the response of the crop to better cultivation. In these directions, the work of the Pusa scientists has been conspicuously successful. The improved varieties evolved have now attained such popularity that it is not possible to make an estimate of the area under them. But in the North-West Frontier Province, the United Provinces, and the Punjab, there is no doubt that they have spread over more than 1.5 million acres. The Pusa selections are giving satisfactory results under very diverse conditions of soil and climate, such as are found in the Peshawar Valley, North Sind, Kathiawar, the Nilgiri Hills and the Southern Shan States. For tracts where the crop is particularly liable to damage by birds, a new series of bearded wheats has been evolved at Pusa. These, in addition to displaying the particular quality for which they were designed, are as heavy yielding and satisfactory for milling and baking as the famous Pusa 12 and Pusa 4. Although 90 depots are maintained for the supply of Pusa seed of the 12 and 4 varieties in the United Provinces alone, the demand is every year increasing. The local authorities have, therefore, sanctioned the opening of 10 more depots. In Bombay, some of the strains selected from local types promise to meet admirably the requirements of the wheat growing districts of Sind, the Deccan, and Gujrat.

Sugarcane is a crop of considerable importance in India, for consumption is several times greater than production. The Agricultural Departments are directing much attention to increasing the yield by breeding better varieties of cane. The work is principally carried on at the Cane Breeding Station at Coimbatore. Some of the new varieties evolved at this station do remarkably well in the Punjab, North-West Frontier Province, Assam and Bihar and Orissa. Both in the field and in the factory, the Coimbatore strains have established their superiority over indigenous varieties and the demand for them now far exceeds the supply. With a view to supplementing the work carried on at Coimbatore, the Indian Sugar Producers' Association are financing a scheme for carrying on field and factory tests of all the more promising seedlings evolved. The Government of India have, as a temporary measure, placed at the disposal of this Association an area of 143 acres near Pusa. For some years, a Sugar Bureau has been in existence which furnishes advice to cultivators manufacturers, and capitalists. It publishes statistical notes bearing on the production and consumption of sugar in different parts of the world and for this purpose maintains its own cable service. Further, in the district surrounding Pusa, the Bureau has taken over the testing and multiplication of improved varieties of sugarcane. It also arranges mill trials for the more promising strains. There can be no question that the improvement and extension of the sugar crop must be counted among the most fruitful of the projected developments of Indian agriculture. The scope which exists for progress in this field may be gauged from the fact that in 1923-24, sugar to the value of Rs. 15½ crores, and to the quantity of nearly half a million tons was imported. The area under sugarcane in India is roughly 2.9 million acres ; and the production of raw sugar amounts to more than 3 million tons. The encouragement of sugar production both in quantity and in quality is thus a matter of considerable moment. The whole question was elaborately investigated a few years ago by a Committee, which recommended the establishment of a Sugar Research Institute, and a large demonstration factory. Unfortunately, financial stringency has in this direction, as in many others interfered to postpone a promising and profitable development.

In textiles, cotton is by far the most important crop. India stands second only to America in total production ; but her cotton is naturally short in staple, poor in spinning value and smaller in yield per acre. The work of the Agricultural Department has, therefore, been directed to increasing the yield and improving the quality. The task is no light one, for the area under cotton must be something in the neighbourhood of 23 million acres ; but a promising beginning has been made. Improved types now flourishing in the Punjab bring to the cultivator about £3 per acre more than the local strains, and the increase in profits derived from this source aggregates well over a million and a half sterling. In the Central Provinces, the area under Roseum, a cotton selected for its high ginning quality, has increased to well over half a million acres, while in the Canal colonies in the Punjab, the area under selected strains of American cotton is more than three quarters of a million acres. In other cotton growing tracts in the country, progress on similar lines has also been made.

In order to provide for satisfactory co-operation between the Departments of Agriculture and cotton traders, a body known as the Indian Central Cotton Committee was established in 1921. This affords a meeting

ground where all sections of the trade can consult those who are engaged in scientific work for the improvement of the crop. The body also advises Government on questions affecting cotton. Under the recently passed Cotton Cess Act, the Committee has been constituted as a corporate body with funds of its own independent of the finances of the Government of India. It derives its revenues from the levy of a small cess upon the whole of the commercial cotton crop, devoting the proceeds to the promotion of agricultural and technological research in the interests of the industry at large. The Committee has now adopted a definite research programme, is co-operating whole-heartedly with the Departments of Agriculture and is bestowing grants-in-aid for the investigation of particular problems. It is financing a Central Cotton Research Institute at Indore to which certain Central India States have also contributed. A Technological Laboratory, including an experimental spinning plant, and a research laboratory have been established at Matunga near Bombay. These institutions will, it is hoped, discharge the useful function of furnishing accurate information regarding the spinning qualities of the new strains evolved. But in order that Indian cotton may obtain adequate prices in the world market, it is essential not merely that the evolution and the spread of the long staple variety should be encouraged, but also that its adulteration in bulk with the short staple local strain should be effectively prevented. Accordingly, at the instance of the Indian Central Cotton Committee, two very important pieces of legislation designed to prevent adulteration, namely, the Cotton Transport Act and the Act for the regulation of Gins and Presses, have been put on the statute book.

Apart from the above, such crops as tobacco, oilseeds, fruit and fodder are being given special attention and progress in soil investigation, cattle improvement, Agricultural Engineering and the eradication of pests has been steady and continuous throughout the last five years. But the whole agricultural position, it is to be hoped, will be reviewed and future progress will be solidly organised as a result of the work of the Royal Commission on Indian Agriculture, whose formation was announced by His Excellency the Viceroy at the opening of the Legislative Assembly in Delhi on the 20th January 1926 said :—

“ When I last addressed you, I made some observations regarding agriculture, the research work conducted by the Central Government and the activities of the Provincial Governments and the need for co-ordination of all efforts connected with this great all-India interest. Since then the Government of India have been in communication with the Secretary of State, who has always shown the greatest interest in agricultural problems in India, and the Provincial Governments, upon this important question, and after discussion with the Provincial administrations I and my Government have made concrete proposals to the Secretary of State which His Majesty's Government have been pleased to accept and which I will now announce.

In our examination of the problem it appeared clear that striking progress had been made in recent years in promoting the science of agriculture and introducing improvements, and that both the central institutions in charge of the Government of India and the Departments in the Provinces under the

charge of local Governments and their Ministers had every reason to be proud of the results of their activities and the sum total of their achievements. Nevertheless it seemed to be beyond dispute that in view of the great importance of the industry to India and of the large numbers of the population engaged in it, there was room for even greater and more extensive co-ordination of effort towards agricultural improvement. It would be clearly wrong to leave any possible step untried in making available to those concerned in the industry the fruits of the latest scientific and practical knowledge. Nothing which held out any promise of amelioration in conditions should obviously be left unexplored. It cannot be gainsaid that the average standard of production and the general level of rural welfare in India is lower than that prevailing in other countries where for some time past there has been marked concentration on agricultural problems. Agricultural practice also in many parts of India is admittedly still backward and primitive and the bulk of the agricultural population is generally unversed in methods of improvement found successful elsewhere. The situation evidently called for a remedy of a comprehensive nature, and measures for strengthening and expanding activities by co-ordination and for examining methods of applying the results of experience in other countries to the solution of our agricultural problems in India were patently required. We arrived at the provisional conclusion that it was unlikely that a Central Board of Agriculture in India could carry out the precise objects which must fall within the scope of such an enquiry ; the latter to be successful must embrace a review of all the activities of the Central and Local Governments in connection with agriculture and scrutinise conditions from a new angle of view. It appeared to me and my Government that the requirements of the situation could only be met by the appointment of a Royal Commission, so constituted as to include members from outside India possessing knowledge and experience of agriculture in other countries together with members from India with local knowledge of agriculture and rural economy and in full sympathy with the Indian agricultural population.

The Secretary of State expressed sympathy with our provisional views and authorised us to consult local Governments regarding the appointment of a Royal Commission and seek their advice regarding terms of reference. As regards the latter the scope of the enquiry was a question of considerable importance. There was no intention to interfere with the control of the local Government over the subject of agriculture which in most of its aspects is both provincial and transferred. The object in view was to supplement, not to curtail, provincial activities. Draft terms of reference were accordingly circulated for discussion which kept those essential points in view, while enabling a Commission to make recommendations which would be of value to the Ministers responsible for the administration of Agriculture in the local

Governments as well as to the Central agencies connected with agricultural research under the Government of India. Another class of subjects also entered into our consideration, during the examination of suggested terms of reference, in which local Governments were primarily and directly interested and which had in a sense a definite connection with rural conditions. These subjects included questions connected with landownership and tenure, rates of land-revenue assessments and irrigation charges. It appeared undesirable and unnecessary to invite a Commission, primarily devoted to examination and report regarding agricultural improvement, to burden their enquiry by exploration into these subjects for the purpose of making recommendations regarding them.

The local Governments' replies showed substantial agreement on the question of the necessity for the appointment of a Royal Commission and on the scope of the enquiry and the questions to be included in the terms of reference. In addressing the Secretary of State we also advised that the Commission be instructed to place themselves in communication with the local Governments in their visit to a province and to carry on their investigations and to take evidence in close consultation with the ministers responsible for agriculture, the co-operative movement, and the other subjects coming under their consideration, and we made in addition some subsidiary explanations of the questions which in our view fell within the purview of the terms of reference we suggest. His Majesty the King-Emperor on the advice of his Secretary of State has now approved the appointment of a Royal Commission the purpose of which has to-day been announced in the following terms :—

‘ Generally—

to examine and report on the present conditions of agriculture and rural economy in British India, and to make recommendations for the improvement of agriculture and the promotion of the welfare and prosperity of the rural population ;

and in particular, to investigate—

- (a) the measures now being taken for the promotion of agriculture and veterinary research, experiment, demonstration and education, for the compilation of agricultural statistics, for the introduction of new or better crops and for improvement in agricultural practice, dairy farming and the breeding of stock ;
- (b) the existing methods of transport and marketing of agricultural produce and stock ;
- (c) the method by which agricultural operations are financed and credit afforded to agriculturists ;
- (d) the main factors affecting rural prosperity and the welfare of the agricultural population and to make recommendations.

It will not be within the scope of the Commission's duties to examine the existing system of land ownership and tenancy, or of the assessment of land revenue and irrigation charges, or the existing division of functions between the Government of India and the local Governments. But the Commission shall be at liberty to suggest means whereby the activities of the Government of India may best be co-ordinated and to indicate directions in which the Government of India may usefully supplement the activities of local Government.'

The personnel is receiving the attention of the Secretary of State and will be announced later."

Here I can do no more than merely mention the efforts which have been made since 1921 to bring forest exploitation up to the standards of America and other countries of the West. A special Forest Engineering Service, consisting of 17 officers, is now in existence and the Forest Research Institute at Dehra Dun has been considerably enlarged and improved with results which have already begun to show themselves.

Lastly a brief description may be included here of the new irrigation projects since 1921. The Sarda Oudh Canal, when completed, will provide irrigation to the North-Western district of Oudh. A small branch of this canal will irrigate Rohilkhund. It was considered advisable to prepare a project for this branch in advance of that for the whole Oudh scheme. This project, called the Sarda-Kichha Feeder, was designed to take up the irrigation which under the earlier proposal would have been affected by the first forty miles of the Sarda Ganges feeder. It has now been found possible to carry the whole volume of water further to the south, thus avoiding the malaria-ridden portion of the Terai through which the original alignment ran. Great economy has thereby been affected.

The Sarda-Oudh Canal takes off at the seventh mile of the Sarda-Kichha feeder and consists of a main canal, with a length of  $17\frac{1}{2}$  miles, after which it divides into three branches. From these branches a net work of distributaries will emerge. There are to be 478 miles of main canal and branches, 3,370 miles of distributaries, and 100 miles of escapes. The canal will irrigate nearly 1.4 million acres, and produce a return of  $7\frac{1}{2}$  per cent. on the estimated capital cost of £5 millions.

There are on either bank of the Sutlej, in British territory on the north, and in Bahawalpur territory on the south, a long series of inundation canals, which draw their supply from the river whenever the water supply is high enough to permit it. These canals are liable to all the drawbacks of irrigation by inundation. There are no weirs at their heads, and in many cases, no means of controlling the volumes entering them. Consequently while the water supply is assured during the monsoon months of a normal year, it is liable to serious fluctuations according to the seasonal conditions. In a year of inferior rainfall, little enters the canals; in a year of heavy rainfall, they are liable to grave damage by flood.

It is *inter alia* to remedy this state of affairs that the Sutlej Valley project has been framed. This will afford the existing canals an assured and controlled supply from April to October; it will enable their scope to be extended so as to embrace the whole low-lying area in the river valley; it will afford perennial irrigation to the uplands on both banks,

which are at present entirely unirrigated, and owing to the low rainfall, waste. The project consists of four weirs, three on the Sutlej, and one on the combined Sutlej and Chenab, with twelve canals taking off from above them. This multiplicity of canals and weirs seems a peculiar feature of the scheme, until it is realised that the project consists of four interconnected systems, each of the first magnitude. The canals are designed to utilise 48,500 cubic feet of water per second during the hot weather and the monsoon, and 7,000 cubic feet a second during the cold weather. Over 5 million acres will be irrigated, of which 2 million will be in the Punjab, 2.8 million in Bahawalpur, and 0.34 million in Bikaner. The real value of the project will be appreciated from the statement that as a result of it,  $3\frac{3}{4}$  million acres of desert waste will become available for cultivation. The scheme, which received the sanction of the Secretary of State in December 1921 is progressing well. A revised estimate amounting to £13.2 millions was submitted to the Secretary of State in February 1925.

The Lloyd (Sukkur) Barrage project in Sind, which is the greatest irrigation scheme now under construction, was finally sanctioned by the Secretary of State in 1923. Its object is to give an assured supply to, and extend, the irrigation now effected by the numerous inundation canals in Sind, which draw their water from the Indus. This will be achieved by the construction of a barrage, nearly a mile long between abutments, across the Indus, which will be by far the biggest work of its kind yet built. From above the barrage, seven canals will take off, irrigating over 5 million acres, of which 2 million comprise existing inundation irrigation, to which an assured supply will be given, while the remainder is at present entirely uncultivated. The cost of the scheme will be about £12 millions.

The irrigation works in the Nira Valley in the Bombay Presidency consist of two canals, one on each bank of the river, the water required for which is obtained from the great reservoir formed by the Lloyd Dam at Bhatghar on one of the upper reaches of the river. These works do not, however, exhaust the possibilities of irrigation in the valley. On both the canals there are extensive areas which could readily take water, if available ; and with the object of bringing these areas within the scope of the system, an estimate amounting to £4.6 millions for the complete Nira Valley Development Project was sanctioned by the Secretary of State in November 1924. The new works proposed will bring under irrigation an additional area of 35,500 acres in a very precarious tract.

In March 1925, the Secretary of State sanctioned the Cauvery Reservoir Project in the Madras Presidency, the estimated cost of which amounts to £4 millions. The project has been framed with two main objects in view. The first is to improve the existing fluctuating water supplies for the Cauvery delta irrigation of over a million acres ; the second is to extend irrigation to a new area of 301,000 acres, which will, it is estimated, add 150,000 tons of rice to the food supply of country. The scheme provides for a large dam at Metur on the Cauvery to store 90,000 million cubic feet of water ; and for a canal nearly 88 miles long with a connected distributary system. It is expected to yield a net revenue at £300,000 which represents a return of 7.6 per cent. on the estimated capital cost.

This Chapter shows what a truly immense advance has been made during the past five years in the great work of systematising and vitalising all branches of Indian economic activity and may fitly close by a quotation



from a speech delivered by His Excellency the Viceroy in opening the annual meeting of the Associated Chamber of Commerce of India and Ceylon on the 14th December, 1925 :—

“ When I passed the last 4½ years in review, I naturally fell into speculation as to what the years to come hold in store, from what angle of view will the business-man be justified in regarding future prospects for trade in India, and to what lessons do the dramatic events of the past quinquennium point. I felt that in a period in which the prices of many commodities are still falling, my review might seem to take too optimistic a direction. All trades and industries have not yet recovered the stability which characterised commerce in pre-war years. In certain industries there are still adjustments of prices needed before consumption approaches pre-war standards. It may indeed be urged that though the volume of trade is increasing, it is still hard to get business and there is little profit in it when obtained. Nevertheless I do believe that even if it is harder to get, there is business in plenty to be done. Recovery may be slow. It must be slow after acute depression, but a slow and sure general progress is far better than short spells of dramatic profits in a few trades. I am convinced that the change in the past five years has been radical and is wholly salutary. Conditions are settling down steadily but surely to a stable situation—the best seed bed for trade to grow. Perhaps the margin of profit may not be large ; but the bulk of the business is there. Let me once more remind you that the total value of imports and exports last year reached the striking figure of 650 crores. Every day communications and transport facilities are opening up and remittance resources and other machinery for trading are improving. Full stability, I admit, is not to be secured until it is also established in other trading countries of the world, but the pact of Locarno will, I am confident, help to remove obstacles and the day is in sight when the people of the world will once more be in a position to devote their attention to the peaceful avocations of Trade and Commerce. Meanwhile the lessons of the past years show that in Government and business alike the new conditions call again as in the past for continuous application, for unceasing attention and unremitting energy, that when the day comes India may maintain her high and honoured place in the great comity of the Trading Countries of the world.

Gentlemen, I must now bid you good-bye. I leave you with confidence in the future of the commerce and industry of India, and I cordially wish you and those associated with you from the highest to the lowest, all good and future prosperity.”

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## CHAPTER VI.

### GOVERNMENT AND THE PEOPLE.

In this chapter it is intended to discuss the activities of the Government of India since 1921 in so far as they affect the well-being and the improvement of the conditions of Indian life other than in its more purely economic aspects. Here again, it will be necessary to select the more important portions of the vast field of enquiry which such a discussion would open out. One of the most important parts of such a discussion, education, falls outside our present scope since, as we have seen, with the exception of university and certain specialized education, it is a provincial subject. Undoubtedly, the most important question which comes up for discussion here is that of Indians overseas. There are not less than 1½ million Indians settled in other parts of the British Empire. These emigrants are generally of two kinds ; first unskilled labourers either under indenture, as in the case of Fiji, Mauritius, Natal and the West Indies, or under some special system of recruitment such as was adopted in Ceylon and Malaya ; the second is the spontaneous immigration of persons belonging to the classes of traders, skilled artisans, clerks and professional men. Thus, the large population of Indians overseas consists of men who represent a variety of walks of life and cannot, by any stretch of the imagination, be lumped together as "coolies." In some parts of the Empire, notably in the West Indies, the position of an Indian is the same as that of any other British citizen ; whilst in Ceylon and Mauritius there is no adverse discrimination against Indians. The principal points at issue between India and those portions of the Empire in which her nationals are treated as inferiors are in general the right of franchise and the conditions under which Indians can immigrate and obtain and retain domicile. Broadly speaking, the distinction in treatment is between the self-governing dominions and the Colonies. The two Imperial Conferences which have been held during Lord Reading's tenure of office to some extent focussed the differences between India and the other parts of the Empire. India's representatives in the 1921 Conference were the late Mr. E. S. Montagu, the Hon'ble Mr. Srinivasa Sastri and His Highness the Maharao of Cutch. These representatives played a part exactly corresponding with that of the Dominions' representatives and for the purpose, at least of the Conference, India achieved full dominion status in her imperial relations. Very briefly the results of this first conference, as they affected the position of Indians abroad, were as follows :—

The Imperial Conference, while re-affirming the principle that every community of the British Commonwealth should enjoy complete control of the composition of its own population recognised that "there is incongruity between the position of India as an equal member of the Empire and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire." The Conference then expressed its opinion that "in the interests of the solidarity of the Commonwealth it is desirable that the rights of such Indians to citizenship should be

recognized." This opinion was also endorsed explicitly by the Secretary of State for the Colonies who pronounced it the only ideal which the British Empire could set before itself. Such a principle, the Secretary of State said had to be carefully and gradually applied, but he hoped to find means of overcoming difficulties in its application. Unfortunately, the representatives of South Africa expressed their inability to accept the resolution. At the Conference it was informally suggested that a deputation from India should visit Canada, New Zealand, and Australia in order to consult with their Governments with a view to giving effect to the resolution. Accordingly, after this proposal had been officially endorsed, the Right Honourable V. S. Sastri was deputed to visit Australia, New Zealand and Canada in May 1922. In Australia Mr. Sastri drew the attention of the Government to certain small disabilities which Indians share with other Asiatics. He succeeded in infusing the Queensland and South Australian Governments to remove some disqualifications which existed, but despite the expressions of sympathy evoked by his skilful advocacy of the Indian cause, no positive action was taken in respect of his demand for equality of franchise. This equality, however, has now been obtained through legal action in the Australian courts. In New Zealand, Mr. Sastri found that the conditions under which domiciled Indians live were as satisfactory as anywhere in the Empire, and he experienced no difficulty in coming to an understanding with the New Zealand Government upon certain small points which entailed negotiation. In Canada he obtained an assurance from the Prime Minister that the consideration of Parliament would be invited to the request that Indians resident in Canada should be granted the parliamentary franchise on conditions identical with those governing the exercise of that right by other Canadian citizens. But in British Columbia, where neither the Provincial nor the Municipal franchise is enjoyed by Indians Mr. Sastri's representations achieved little success on account of the popular prejudice arising from economic rivalry between the white and non-white races. On the whole, it is not unfair to say that while as a consequence of the 1921 resolution, the justice of India's claim on behalf of her citizens resident in the Dominions—with the exception of South Africa—was freely admitted, several of the Governments concerned,—either from apathy or as a result of local difficulties, did not succeed in carrying this resolution into effect. Speaking at the opening of the Simla session of the Indian Legislature on September 3rd, 1921, His Excellency summed up as follows the results of the conference in so far as they affected India :—

" I have followed with the deepest interest the events at the Imperial Conference in London, where India had the good fortune of being represented by the Secretary of State, the Maharao of Cutch, and the Right Honourable Srinivasa Sastri, one of His Majesty's Privy Councillors. Although they were not able to achieve all they wished, it cannot be doubted that they have secured a notable recognition of the status of Indians in the Empire. It may be a tardy recognition, but it establishes beyond all question, and authoritatively, by the conclusions of the Premiers assembled at the Imperial Conference, with one dissentient, the equal status of Indians in the Empire ; secondly, the attitude of His Majesty's Government and their recognition of this principle will mean that

it will be applied in other parts of the Empire which are not under Dominion Government, and notably in East Africa. In India we cannot but rejoice at these conclusions, notwithstanding that we deeply regret that the representatives of South Africa felt themselves unable to accept them. We must not close our eyes to their difficulties ; these are of a special character. But we must continue our efforts to bring about a recognition in South Africa. Assuredly we need not be discouraged by the result of the Imperial Conference ; indeed, we should be stimulated to continue our labours, and I give you my assurance that I will strive to the full extent of the power and ability I may possess to obtain the recognition in South Africa and elsewhere of the principle accepted by the other Dominions and His Majesty's Government and to secure that it shall be so interpreted as to satisfy Indian pride and patriotism. I cannot pass from this subject without expressing gratitude to the representatives of India who represented the interests of Indians so ably and eloquently. I have read with great pleasure the reports of the reception of the Maharao of Cutch and Mr. Sastri. It is beyond doubt that they have raised the status of Indians in the Councils of the British Empire ; they have contributed to the appreciation of the intellectual capacity, the graceful courtesy and the sensitive responsiveness of Indians, and have made a deep impression upon all with whom they have come into contact in England and elsewhere."

Still neither in Canada nor in Australia has any serious trouble arisen with the Government of India over the question of Indian residence. The case has been far otherwise in South and East Africa where, throughout the whole period of Lord Reading's Viceroyalty, trouble has existed in a more or less acute form, now the one country, now the other, finding itself the chief centre of interest. The dissent of the South African delegates from the resolutions of 1921 and 1923 was particularly unfortunate ; firstly because the number of Indians who are subjects of the Union Government amounts to no less than 160,000 ; secondly because their position has for some time been wholly unsatisfactory from the Indian point of view. The trouble occurs principally in the Transvaal, where Indians are politically helpless, and in Natal, where, though they possess the Municipal franchise, their position has for some years been an object of serious attack. In the Orange River Province, where the number of Indians is inconsiderable, and in the Cape Province, where the policy prevails of equal rights for every civilized man, there have been no difficulties. Elsewhere, the trouble came to ahead in 1919, when anti-Indian agitation rose to such heights that the Union Government appointed a Commission to enquire into the whole question of Asiatics trading and holding land in the several provinces. Despite the efforts of the Government of India to secure the adequate presentation of the Indian case, the Commission recommended the retention of a law prohibiting the ownership of land by Asiatics in the Transvaal. Moreover, the right which Indians had previously enjoyed of acquiring and owning land in the Uplands of Natal was threatened by a recommendation of the Commission. The Government of India, protested against this, and the commission's recommendation was not accepted by the Union Government. Feeling continued to run high against Indians in certain parts of South Africa, and

further attempts were made to endanger their already precarious position. In Natal, an ordinance was introduced dealing with the township franchise to the detriment of the Indian community. It was again introduced in 1922 and in a modified form in 1923 but in each instance the Union Government withheld its approval. In 1923, the Union Government itself introduced a measure entitled "The Class Areas Bill", containing provisions which could be used in urban areas for the compulsory segregation of Asiatics. Indian opinion was deeply exercised over the prospects of this legislation, despite the assurance of the Union Government that it desired to apply the measure in a spirit of fairness to the interests and reasonable requirements of Indian residents. This opinion was voiced by His Excellency in his speech at the opening of the Delhi session of the Indian Legislature in January 1924 :—

"The position in South Africa, however, is different. The Union Government has reaffirmed its unwillingness to adopt the attitude of the other Dominions; and in addition proposals for legislation which are expected in practice to affect Indians adversely have been brought forward. The Natal Township Franchise Amending Act, vetoed on previous occasions by the Governor General of South Africa in Council, has again been passed in the Natal Legislative Council and a Class Areas Bill has been published by the Union Government. Vigorous representations have been made by my Government which, we trust, will have success in regard to the Township Act. The Union Government have given an assurance that it is their desire and intention to apply the measure, the Class Areas Bill if it becomes law, in a spirit of fairness to the interests and reasonable requirements of Indians. My Government, however, whilst welcoming the assurance, cannot rest satisfied with this position; and we shall continue our efforts to persuade the Union Government to incline to our view. We are aware of the strength of public opinion upon this subject and shall strive to give effect to it by all legitimate means within our powers."

But in consequence of the unexpected dissolution of the South African House of Assembly in April 1924, the Bill lapsed. The general position of Indians in South Africa continued, nevertheless, to give cause for anxiety. Towards the end of December 1924 news was received that the Governor General of South Africa had given his consent to the Natal Boroughs Ordinance. Lord Reading in his speech at the opening of the Delhi Session of the Indian Legislature in January 1925 described the anxiety of his government at this recent development and the efforts which were being made to ameliorate the situation :—

"If the pendulum has swung in the direction desired by India on these questions, the position in South Africa, on the other hand, has been less favourable. Towards the end of December news was received that the Governor General of the Union of South Africa had given his assent to the Natal Borough Ordinance. This measure, while safeguarding the rights of Indians upon the electoral roll of boroughs, will prevent further enrolment of Indians as burgesses. The serious implications of the measure on the future of Indians, who have special vocational and trading connections with the towns in South Africa, will readily be realised. From the outset the Government of India had recognised the effect this measure might have upon the

position of resident Indians in Natal both as regards their civic and economic status ; and my Government made strong representations to the Union Government as soon as a copy of the Ordinance was received in August last. At that time there was reason to hope that since a similar but more drastic measure had been disallowed previously by the Governor General, this Ordinance would also share the same fate ; to our regret, however the Government of the Union advised the Governor General to give assent to the Bill ; and accordingly the measure has now become law. The situation created is engaging the most earnest attention of myself and my Government ; we have lost no time in making representations to His Majesty's Government and in placing before them in an emphatic manner the difficulties in which resident Indians are likely to be placed by the operation of this law. Every endeavour will be made to discover a remedy ; but, in view of the powers of Dominion Governments in internal and domestic affairs, the position is one of delicacy and a solution will not be easy to find. Patience will again be necessary. I may remind you that when the position in Kenya seemed most unfavourable, temperate arguments and full and frank discussion resulted in a better understanding of the Indian point of view and in a measure of relief to the disabilities felt by Indians. I hope that as in the case of Kenya, so also in this case some remedy may be devised. I have promised to receive a deputation on this question and will discuss with them at a later date, in the light of further information which I hope to receive, the prospects of finding a solution to the present difficulties. For the present I say nothing more on the subject."

A few days later, in his reply to a deputation from the Imperial Indian Citizenship Association His Excellency struck a more personal note :—

" At this moment when the action now taken in Natal, following on other measures taken or proposed in Natal or elsewhere, suggests that the position of Indians in South Africa has reached a crisis, I should be unresponsive indeed if I did not fully appreciate the sentiment which stirs the country, and is well expressed by this remarkable deputation, exemplifying in a striking manner the co-operation of Indians and Europeans of varying shades of opinion and varying interests. Firm in the faith of the future of India within the Empire, I am deeply concerned at the turn of events and at the possible reactions on Imperial relationships. I need not say that my Government is entirely with me in the desire to obtain more favourable consideration from the Union Government for the interests of Indians resident in South Africa. From my own personal knowledge I can assure you that Sir Narasimha Sarma, when in charge of the Department, laboured devotedly to represent and uphold the Indian cause, and I am convinced that Sir Muhammad Habibullah will not be behind him in the earnestness of his endeavours to the same end. As a Government, we have consistently, and persistently, striven to the utmost of our capacities of this purpose."

On the 21st April 1925, assent was given to the Natal Township Franchise Ordinance which, like the Boroughs Ordinance, purports to prevent Indians in future from acquiring the right to vote at elections for town boards. The Government of India did not receive information about this Ordinance till after assent to it had been accorded by the Governor General of South Africa. Towards the end of January 1925 news was received that the Union Government had gazetted a Bill to amend the Mines and Works Act in order to take powers to refuse certificates of proficiency to natives or Asiatics in certain occupations. The Government of India, with the approval of the Secretary of State, made suitable representations in the matter direct to the Union Government, as a result of which the wording of the Bill was altered so as not to refer to Asiatics and Natives directly. It was passed by the South African Assembly but rejected by the Senate. In August 1925, on receipt of the news that the Provincial Government of Natal had published a draft ordinance to amend and consolidate the law relating to townships, the Government of India made representations to the Union Government. The Ordinance seeks to dis-enfranchise Indians already on the electoral roll of townships. The Government of India have been informed that the draft Ordinance is standing over until next year and that when it is proceeded with steps will be taken to ensure that the franchise rights of Indians at present on the voters roll of township are adequately safeguarded. Further, in September 1925, assent was given to the Transvaal General Dealers (Control) Ordinance, which is intended to regulate, control and restrict the granting of licenses in future. In this Ordinance provision has been made in the case of a refusal of a local authority or Rural Licenses Board to approve of the issue of a renewal of an existing license for an appeal to the Supreme Court of South Africa.

In July 1925, further anti-Asiatic legislation (Areas Reservation and Immigration and Registration) Provision Bill was introduced and is now pending before the Union Parliament. Again the Government of India took up the fight for the rights of its people abroad and Lord Reading hinted at its activities in his speech at the opening of the Simla Session of the Legislature in August 1925. "I wish I could report", he said "an equal absence of controversial matter in regard to the position of Indians in South Africa. At the moment I should not be well advised to say more than that my Government is watching the situation closely and is still in communication with the Government of South Africa."

Thus, in the latter part of 1925, Anti-Asiatic feeling in South Africa came once more to ahead and has given rise to an acute situation between the Union and India which is best summarised in the following extract from His Excellency's speech at the opening of the Legislative Assembly in Delhi on the 20th January 1926 :—

"In addition to these disabilities, further anti-Asiatic legislation has been recently introduced and is now pending before the Union Parliament. The purpose of this legislation is to empower urban authorities compulsorily to segregate Indians and to confine their rights of trading and of acquiring property to the limits of the areas assigned to them. The Bill also contains further restrictive provisions regarding the acquiring or leasing of land outside the coastal belt in Natal, immigration,

importation of wives and families and inter-provincial movements. The principle of segregation is not new. It was recognised by a Transvaal Act of 1885, but it was not rigidly applied. Such locations as arose as a result of that Bill led the Asiatic Committee to condemn the compulsory principle. Indian sentiment has always been strenuously opposed to compulsory segregation as inflicting a racial stigma. It is felt to be a breach of the Smuts-Gandhi agreement and a repudiation of a policy believed to have been established consequent on the recommendations of the Asiatic Enquiry Committee. The principle has been denounced by the Government of India ; and in Kenya, His Majesty's Government have decided that it is not to be applied in townships. The Bill therefore contains what appears to my Government to be a radically objectionable principle ; and the existing aversion to this policy has been intensified by the statement of Dr. Malan in introducing the Bill in the Union Assembly last July when he said that the measure was based on the general proposition that the Indian was an alien element in the population of the Union, and that no solution of the question would be acceptable unless it resulted in a very considerable reduction of the Indian population.

I and my Government have kept His Majesty's Government in continuous and close touch with our general views regarding the position of Indians in the Union and this Bill in particular and with the strength of the feeling which the general disabilities imposed on Indians in South Africa and this measure in particular have evoked ; we have also made it clear that we fully sympathise with the sentiment which all classes in India have expressed on these questions.

Since April last we have been in continuous correspondence with the Government of the Union regarding this legislation and communications are still passing ; we have repeatedly pressed upon them the suggestion that the situation in our view calls for a Conference as regards their general policy towards Indians ; in the alternative we invited them to make other suggestions likely to result in a permanent and satisfactory settlement. The Union Government have not found themselves able to agree to our proposals for a Conference, although they seemed inclined to agree to a Conference restricted to the consideration of a more effective repatriation scheme which in other words will result in " a considerable reduction of the Indian population in South Africa " and to proposals for the mitigation of competition between Indians and other classes in South Africa and they asked us to formulate concrete suggestions regarding the latter. We could not accept a Conference whose main object would be to reduce considerably the number of Indians in South Africa. We were, however, prepared to consider the possibility of smoothing any difficulties that may have been found in their existing scheme of purely voluntary repatriation and to make suggestions regarding vocational employment when we had sufficient data ; but we asked for assent, before entering upon any discussion about voluntary repatriation or making suggestions regarding competition, to our



sending a deputation to South Africa to collect information regarding the economic and general position of Indians in the Union. On November the 10th the Union Government acceded to this request and we forthwith despatched our deputation, the purpose of which has been announced and published. In sending the deputation, the immediate object we had in mind was the collection of information urgently required by us and we still kept in view the possibility of a Conference to which we attach the greatest weight. Some criticism was at first directed in India to the despatch of our deputation. This was chiefly based on the fact that news of the visit of a deputation of Indians from South Africa was received about the same time ; but in fact our decision to send a deputation was reached long before the arrival of the first news of the deputation from South Africa which only came to us in a Reuter's telegram on November 19th just before it sailed. It was obviously desirable for us to take immediate advantage of the assent of the Union Government to the visit of our deputation. We desired in the first place to lose no time in collecting information which would enable us to deal with the suggestions of the Union Government. We were faced besides with this critical situation that it was contemplated in South Africa to proceed at an early date in the new year with this Bill ; it was therefore essential that we should at once take steps to put ourselves in possession of facts which would enable us to make effective representation before the Bill passed to the second reading stage and became accepted in principle. The interim reports received from the deputation have given us valuable information ; and the deputation has collected facts which have been most useful to us in our representations and may assist in suggesting eventually a basis for fresh proposals. We still do not despair of persuading the Union Government that there is the strongest ground for a Conference or in the alternative for an enquiry before further Parliamentary steps are taken in regard to the pending legislation. The deputation had to be hurriedly despatched, this was inevitable in the circumstances ; and I cannot too highly commend the expedition with which the members left India at very short notice and got to work on their task at a crisis when a delay of a few days even was a matter of very great moment. Dr. Abdur Rahman's deputation is engaged on a different task and is putting the cause of Indians in South Africa before the Government and the people of India on behalf of the section of public opinion in South Africa which it represents. Its purpose is not therefore identical with the object of ours. Moreover, the deputation from South Africa has been able to supply me and my Government with facts of considerable importance and to explain points which, in the absence of local information, may previously have been imperfectly appreciated or understood.

The whole question at the moment is at the stage of negotiation. Bear in mind that in our attitude towards the position of Indians in South Africa and to the principle of the latest legislation, I and my Government are at one with the general

feelings in India. You may have confidence that we are striving our utmost to find a basis of discussion with the Union Government before the latter are committed to the principle of the Bill. The question has got to be dealt with in South Africa ; and it must be remembered that the Government and the Ministry of the Union are responsible to their electorate ; and that this legislation is regarded by them as domestic in its character. We have never doubted the right of South Africa to guide the course of their own domestic and economic legislation ; but in our view there are far wider considerations involved in this legislation than local economic policy alone. In our opinion they have an important bearing upon the Empire as a whole. The proposed measures are not in our view in accordance with those principles which bind the Empire together in community of sentiment and we hoped that this aspect of the proposals may yet commend itself to South African opinion. Even on the narrower issue of economic necessity we believe from the information now received by us, that the situation may be capable of adjustment in other ways. Our negotiations are still proceeding and we shall continue to press our views to the utmost of our ability. We cannot say whether we shall succeed in our endeavours ; but I hope that a cause which, as it appears to us, has reason and equity on its side, will ultimately prevail. Meanwhile I rely on the Legislature to give me and my Government their confidence and support in a question upon which they are aware that our sentiments are agreed, and especially to remember, as I gratefully acknowledge they have hitherto borne in mind, that we are still in the course of negotiation with the Government of the Union in whose hands the initiative in conducting their own legislative programme lies. The principle of the Bill has not yet been finally accepted, and I hope that a basis of discussion with the Union Government may be arrived at which will give opportunity of stating and proving our case before any question arises of proceeding with that stage of the Legislation."

A resolution relating to South Africa was to have been moved by Mr. Jinnah, leader of the Independent Party in the Legislative Assembly on March 24th, 1926. The Home Member, however, explained that the negotiations with South Africa were at a delicate stage and asked Mr. Jinnah to postpone his resolution which he accordingly did.

By far the most formidable problem arising during these years out of the position of Indians in the Colonies, as distinct from the Dominions, has been presented by Kenya. This colony owes much to Indian labour and Indian capital ; Indian settlers have played a large part in its development ; and they out-number the European population. For some time, they have been suffering under notable disabilities, some of which are resented from the slur which they cast upon the self-respect of educated Indians ; while others impose very practical and positive hindrances upon Indian prosperity. In the first category may be placed the prohibition against the transfer to Indians of agricultural lands in the Highlands of the Colonies. In the second category come the inadequate representation of the Indian population upon the Legislative Council, their political helplessness despite their large stake in the economic life of the Colony, and the

threat to their interests through proposals for restricting immigration. During 1921-22, race feeling between the Indian and European settlers rose to such a height that the relations between the two communities became strained. The dominant position of the European led the Indians to fear lest proposals for compulsory segregation, for the denial of the franchise, and for the total prohibition of immigration from India, should be forced upon them. Indian sentiment both at home and in Kenya was deeply stirred ; and a profound and unfortunate influence was exerted upon the entire political outlook of the educated classes. Public meetings were held all over India ; the press, both vernacular and English, expressed itself in the most vehement language ; and addresses were presented to the Viceroy by public bodies of all shades of opinion as well as by the Indian Legislature. The Government of India from the first put themselves at the head of Indian sentiment, representing to the Colonial Office in the most emphatic terms the serious implications, from the Indian standpoint, of the Kenya situation. Deputations from the Kenya Europeans and Indians, and from the Indian Legislature waited upon the Colonial Office. Towards the end of July 1923 His Majesty's Government laid down their general policy upon the questions at issue. They observed that the interests of the African population must be paramount ; that the existing system of government was best calculated to achieve this aim ; and that the immediate grant of responsible government, which had been urged by the white settlers, was out of the question. But contrary to the opinion expressed by Indian sentiment, a decision was arrived at in favour of communal representation. This system, under which the Indian community was to have five elected representatives in the Legislative Council, was regarded as the best in the circumstances, because it was compatible with African representation in due course and with Arab representation immediately. It would further permit of a wide franchise for Indians. In deference to Indian opinion, the policy of segregation as between Europeans and Asiatics in townships was abandoned. On the other hand, the reservation of the Highlands for Europeans was to be maintained. On the vital question of immigration, it was laid down that legislation discriminating against Indian entry into Kenya could not be countenanced, but this statement of principle was qualified by the suggestion that some further control to protect the economic interests of the Africans was required.

The announcement of these decisions aroused the strongest resentment in India. Adjournments both of the Council of State and the Legislative Assembly were proposed to consider the situation. A bill to regulate the entry into, and residence in British India of persons domiciled in other British possessions, was introduced, considered, and passed by the Legislative Assembly in one day as a protest against the recent decision. Lord Reading gave emphatic expression to the disappointment which the Kenya decision had caused to his Government, and the Government of India specifically reserved the right to make further representations with a view to re-opening the decision when legitimate opportunity offered.

Speaking at the opening of the Simla Session of the Indian Legislature on July 28th, 1923, Lord Reading said :—

“ I feel it my duty to make some observations about Kenya which is at the moment uppermost in my thought and yours. The news of the decision regarding Kenya came to me and to my

Government no less than to you as a great and severe disappointment; for India had made the cause of Indians in Kenya her own. As His Majesty's Government has stated, this decision conflicts on material points with the strongly expressed views of my Government as laid before the Cabinet by the Secretary of State for India. India's representations were fully placed before His Majesty's Government and received most patient and careful consideration; but we must record our deep regret that His Majesty's Government did not feel justified in giving greater effect to them. We are conscious that there were important aspects, perhaps not sufficiently understood by us, which His Majesty's Government were called upon to weigh and determine, and we fully appreciate and acknowledge their whole-hearted efforts to arrive at a fair and equitable conclusion. They have announced their decision and the Government of India must consider it and arrive at its conclusions. If submission must be made, then with all due respect to His Majesty's Government it can only be under protest.

We do not fail to realize the grave difficulties in which His Majesty's Government were placed. They were faced with a conflict between two powerful interests. The deputation with great vehemence urged two completely divergent points of view. Between these two there appeared to be no ground for agreement on any point; and besides there lay on His Majesty's Government the grave responsibility for considering the unchampioned and inarticulate interests of the native population which form the great majority in the Colony. It is not easy in India with strong feelings for the Indian side of the cause to appreciate with real detachment the considerations which His Majesty's Government had to bring to bear on the difficult problem. Attention in India is naturally concentrated on the rights and claims of Indians, while His Majesty's Government have a larger field to cover and wider responsibilities to exercise; and we must remember that although the decision has disappointed us, yet on some points to which we were strongly opposed, but to which the settlers party attached great weight, the decision is against them. On three important points decisions favourable to the Indians have been pronounced. His Majesty's Government have declared against the grant of responsible Government within any period of time which can now be taken into consideration. Further, they have refused to countenance the introduction of legislation designed to exclude from British Colony immigrants from any other part of the British Empire. In addition they have definitely rejected the principle of segregation. On the question of the future control of immigration no final conclusion has been reached. The principle stated is unexceptionable and as a declaration of policy it will be welcomed by Indians. We are, however, uncertain as to the precise method by which immigration is to be controlled, and how the control will affect Indians; but you may rest assured that I and my Government will use every effort to impress our views on this subject without delay upon His Majesty's Government."

In the Imperial Conference of 1923, the whole question of Indians overseas, both in the Dominions and in the Colonies, was fully discussed. The Indian delegation consisting of Lord Peel, then Secretary of State for India, Sir Tej Bahadur Sapru, and the Maharaja of Alwar, laid stress upon the unanimity of Indian opinion and the justice of the Indian cause. Sir Tej Bahadur Sapru with the full support of the Secretary of State, pleaded powerfully for an examination of the position of Indians in the Dominions and in the Colonies by a Committee to be appointed by the Government of India. The Premiers of four of the Dominions exhibited the deepest sympathy with Indian feelings and expressed their earnest desire to remove the disabilities of Indians resident within their borders. They readily agreed, if such a step was desired, to appoint Committees to consult with the Committee which the Government should entrust with the examination of the question, though the Prime Minister of Australia thought that from the point of view of the India position in the Commonwealth, such a step was unnecessary. Only from South Africa did a note of dissent emanate. General Smuts held out no hopes of any further extension of the political rights of Indians in the Union and expressed himself as unable to accept Sir Tej Bahadur Sapru's proposal. But the Secretary of State for the Colonies, on behalf of His Majesty's Government, cordially accepted the suggestion that there should be full consultation and discussion between the Colonial Office and the Committee appointed by the Government of India upon all questions affecting British Indians domiciled in British Colonies, Protectorates, and mandated Territories. More important still, from the point of view of immediate events, while reminding the Conference that the British Government had recently come to certain decisions as to Kenya, and stating that he saw no prospects of these decisions being modified, the Colonial Secretary promised to give careful attention to such representations as the Committee appointed by the Government of India might desire to make to him. The Government of India were thus given an opportunity they had been seeking of reopening the Kenya question. In addition to this clear gain, the 1921 Resolution received emphatic endorsement from all the Dominions save South Africa, the assembled representatives agreeing to consider the question as to how best and how soonest effect might be given to it.

The whole position as regards Indians in the Colonies has now materially changed, owing to the acceptance by His Majesty's Government of Sir Tej Bahadur Sapru's proposal. The Colonies Committee consisting of Mr. Hope Simpson, His Highness the Aga Khan, Sir Benjamin Robertson, Dewan Bahadur T. Rangachariar and Mr. K. C. Roy, assembled in London early in April 1924 and dispersed towards the end of July. During this period they had several interviews with the Secretary of State for the Colonies and the officials of the Colonial Office, in which they made representations upon a variety of important matters affecting Indians in Kenya, in Fiji, and in the Mandated Territory of Tanganyika. In regard to Kenya, the representations covered all questions of interest to India dealt with in the decision of His Majesty's Government. The result of these representations was announced by Mr. J. H. Thomas in the House of Commons on August 7th, 1924. On the question of franchise and of the Highlands, there was no change in the position ; but as regards immigration, on which, as we have seen, Indian opinion attaches the highest importance, the Secretary of State for the Colonies decided that an Ordinance which had

been framed on the lines of restricting immigration should not be enacted, though he reserved to himself the right to enact any measure at any time, should native interests appear to be threatened by the influx of immigrants from abroad. The menace of further restrictions upon the immigration of Indian has accordingly been removed at least for the moment. As regards Indian colonization, Mr. Thomas announced that it was proposed to set apart an area in the low lands for agricultural immigrants from India, but before the scheme took final shape, an officer with experience of the needs of the Indian settlers and agricultural knowledge could be sent to report on the areas to be offered for colonization. The question of deputing an officer to examine these areas has since been considered by the Government of India. Apart from these gains, substantial enough in themselves, the Committee succeeded in creating a better atmosphere and a wider understanding of the Indian point of view. His Excellency the Viceroy paid a well deserved tribute to them in his inaugural speech on January 20th, 1925. "As regards Kenya," he said, "the conclusions arrived at by Mr. Thomas were announced in the House of Commons on August, the 7th last. On the question of Franchise and the Highlands there was no change in position; but as regards immigration, His Majesty's Secretary of State for the Colonies after hearing our representatives was not satisfied with data submitted from Kenya and was unable to agree with the Kenya authorities that a case had been made out to justify the Ordinance. He therefore gave an assurance that the Immigration Legislation would not be placed on the Statute-book. The further restrictions then on the point of being imposed upon the immigration of Indians were accordingly removed. As regards Indian Colonisation, Mr. Thomas announced that it was proposed to reserve an area in the lowlands for agricultural emigrants from India; but that before the scheme took final shape an officer with experience of the needs of Indian settlers and agricultural knowledge would be sent to report on the areas to be offered for colonisation. Reports in regard to the areas have now been received by my Government; and we are considering the question of deputing an officer to examine these areas from the aspect of their suitability for Indian settlement. These are substantial gains and our gratitude is due to the Committee for the clarity and earnestness of their representation of the Indian point of view to His Majesty's Government. Moreover these gains are not the only advantages which accrued from their visit. A better atmosphere has been created and that wider understanding of different points of view has grown up which is the outcome of personal discussion and free and frank interchange of view."

The situation in Kenya has also been improved by the decision of the Indian community to relinquish their former attitude of non-co-operation and to accept an arrangement by which they will select five members to be nominated by the Governor to the Legislative Council. The result of the representations which the Committee made on certain outstanding questions relating to Indians in Fiji is still the subject of correspondence.

In June, 1924, His Majesty's Government announced the appointment of an East African Committee, under the Chairmanship of Lord Southborough, to consider and report on certain questions regarding the administration and economic development of British East African dependencies. Since this enquiry was likely to affect Indian interests, the Government of India urged that the Indian point of view should be heard

before the Committee came to any conclusions. This request was granted. But further immediate action in the matter was suspended, pending the publication of the report of the Commission presided over by Major Ormsby-Gore, which visited East Africa to enquire into certain aspects of the questions referred to the Southborough Committee. The report of the Ormsby-Gore Commission was published in the United Kingdom on May 7th. On June 9th Major Ormsby-Gore announced in the House of Commons, that, in view of the complete report presented by the Commission which, under his Chairmanship, had visited East Africa, His Majesty's Government had decided that the Southborough Committee should not resume its sittings. In view of this development the idea of making representations to the Southborough Committee is no longer feasible, but the Government of India are watching events and, if occasion arises, will take such action as may be necessary to safeguard Indian interests in that region.

In other parts of East Africa the position during the past five years has, from time to time, been hardly less acute and the Government of India have found themselves compelled to enter strong protests against various measures. Tanganyika has the largest Indian population among Mandated Territories administered by His Majesty's Government, and Indian interests there are substantial. In 1923 were introduced three Ordinances imposing certain taxes and prescribing rules for the keeping of accounts to facilitate their collection. These measures aroused resentment among resident Indians. Strikes occurred, and a deputation was sent to the Colonial Office to draw attention to what the Indians regarded as the main defects of the legislation. These were first the necessity for the yearly renewal of trade licences, which, it was feared, would put traders at the mercy of the Executive, and secondly, the requirement that accounts should be maintained in English, Swahili, or French. The Government of India also made representations independently to the Colonial Office. The Colonial Office has given an assurance that trading licenses will be renewed as a matter of course, and, by raising the limit of taxable income, has relieved the small Indian trader of the obligation to maintain accounts; but the Indian community still feel strongly that the true solution of the difficulty is to include Gujrati in the list of languages in which accounts may be kept. This sentiment finds an echo in India, especially among commercial circles in Bombay; and a resolution recommending that India's representatives at the next Assembly of the League of Nations should be instructed to ventilate this grievance was carried in the 1924 autumn session of the Legislative Assembly, despite Government opposition. During the debate on the Resolution referred to, the Government of India indicated that they were not disposed to consider the advisability of raising this question with the League of Nations so long as the patient negotiation with the Colonial Office held out any prospect of a satisfactory settlement. This matter has formed the subject of special representation by the Colonies Committee and they have now received intimation that the Colonial Office have approved the proposal of the Government of Tanganyika territory to appoint a Committee to investigate the question of trade license and the possibility of raising by alternative taxation, the revenue at present accruing from the profits tax. Both European and Indian Trade Communities will be represented on the Committee. It goes without saying, of course, that all these events have produced a profound and painful interest in India and have frequently engaged the attention of the Indian Legislature. It would

take me too far afield to describe the discussions which have taken place on this subject during the last five years in both the Legislative Assembly and the Council of State, but it must not be forgotten that it is a subject on which Indian opinion is solidly united and one which, at the close of Lord Reading's Viceroyalty, probably overshadows all others. Throughout his period of office Lord Reading has devoted the most anxious care to this great and vital problem and his speeches before the Assembly and elsewhere show how he has explored every path which might lead to the amelioration of the position of Indians overseas wherever they are subjected to unfair disabilities. We have seen that in Canada and Australia the position of Indians has changed for the better in his time and it is possible that future events will show that even in South Africa his labours have not been altogether in vain. For it is clear from a study of speeches and newspapers in South Africa during the present controversy that the representations of the Government of India have at any rate stirred the conscience of some sections of the South African people and it is most earnestly to be hoped that the feelings aroused among these sections will permeate their fellows more and more and lead in the end to a fairer policy in regard to their fellow subjects from India. In Kenya, as we have seen, the Government of India secured certain definite concessions for its nationals as the result of vigorous representations in the face of an almost unparalleled agitation on the part of the white settlers in Kenya and it does not seem likely that the state of affairs of 1923 will be repeated there.

Lastly the whole subject of indentured labour and immigration generally has been put on a thoroughly sound and satisfactory basis since 1921. Among the consequences of the desire of the educated classes of India for Dominion status is an increased sensitiveness regarding the emigration of labour; for it is now realised how severely the prestige of the Indian people has suffered in the eyes of the rest of the world owing to the fact that the Indian labourer, or "coolie" as he is contemptuously designated, has been taken as representative of the entire population of the country. Articulate Indian opinion is now convinced that the whole question of emigration to other parts of the British Empire requires careful control. In deference to this feeling, the assisted emigration of unskilled labour has for some years been forbidden except in the case of Ceylon, the Straits Settlements, and the Federated Malay States. During 1922 the policy of the Government of India was embodied in a new Emigration Act, which proclaimed assisted emigration for the purpose of unskilled labour to be unlawful except for such countries, and on such terms and conditions, as the Governor General in Council may specify. The Act further provides that any notification made under it must be laid in draft before, and approved by, both Chambers of the Legislature. In consequence, the organized emigration of unskilled labour can now be regulated and controlled by the popular representatives. A Standing Emigration Committee composed of 12 Members of the Indian Legislature has been appointed to advise the Government of India on all major emigration questions. The knowledge that the consent of an elective legislature is vital to the continuance of Indian emigration is bound to exercise a liberalising influence upon the labour regulations of those Colonies which need settlers from India. Marked improvements have recently taken place, for example, in the conditions of labour in Ceylon. Both here and in Malaya, the question of the fixation of a basic minimum wage has been investigated. In Ceylon, an Officer of the Colonial Government made a preliminary enquiry into the relations between the wages



and the cost of living; but the main conclusions of his report were unacceptable to the Government of India.

In response to representations made by the Government of India, the Government of Ceylon appointed a Committee, in which the Agent of the Government of India and four representatives of the planting community were included, to enquire into and advise regarding the fixation of Standard Minimum Wages for Indian estate labourers in Ceylon. The recommendations of the Committee have been communicated to the Government of India and are at present the subject of discussion between them and the Colonial Government. The question of the payment of standard wages subject to a minimum to Indian labourers in Malaya has also been taken up with the Malayan Governments on the basis of a report on the subject which has been received by the Government of India from their Agent in Malaya. That the Government of India and the Indian Legislature take a keen interest in the fortunes of Indian settlers overseas is exemplified by the fact that in 1922 two deputations left India for Fiji and British Guiana for the purpose of ascertaining by local enquiry whether these Colonies offered land suitable for Indian settlement. At the beginning of 1924, a deputation from British Guiana arrived in India to discuss with the authorities the conditions under which the resumption of emigration could be sanctioned. It met the Standing Emigration Committee of the Legislature and explained the scheme which the Government of British Guiana were putting forward. The Committee was inclined to view the scheme with favour, but, before making definite recommendations, suggested that the Government of India should depute an officer to report on certain specific points. In September 1925 Kunwar Maharaj Singh was deputed to British Guiana with the following terms of reference:—

- (A) The progress made in providing suitable land for prospective settlers and existing immigrants, the steps taken to supply them with materials and skilled assistance to put up residential accommodation and with loans for agricultural development, and the measures instituted for improving the sanitary conditions in respect especially of drainage and water-supply.
- (B) The steps, if any, taken by the Government of British Guiana to provide facilities for the repatriation of resident Indians who are willing to return to India.
- (C) What improvements, if any, have taken place in the political and economic status of the resident Indian community since the earlier Indian deputation visited the colony in 1922 ?
- (D) What are the sentiments of Hindu residents in the matter of cremation of their dead and whether he had any recommendations to make ?

Kunwar Maharaj Singh's Report has since been received and published.

The question of Indian emigration to Mauritius has also received attention from the legislature. In March 1923 a draft notification allowing the emigration of unskilled labour to Mauritius for one year, on conditions approved by both Houses of Indian Legislature, was discussed in the Assembly. The suggestion was made that before fresh emigration was

permitted, the Government of India should depute an officer to enquire locally into the effect which the introduction of fresh supply of labour from India might exercise on the state of employment and the level of wages among the Indian community in Mauritius, and of the ultimate prospect of fresh emigrants securing suitable permanent employment. In April last, the Government of Mauritius requested that emigration to the Colony might be continued for a further period of one year; but the Government of India, in consultation with the Standing Committee on Emigration, decided that consideration of the request should await the results of a local investigation. The Government of Mauritius agreed to receive an officer for the purpose and to give him all facilities; and in December 1924, Kunwar Maharaj Singh again left India to conduct the necessary enquiry. His Report has since been received and published. The various recommendations which he makes have been commended to the consideration of the Colonial Government but the Government of India have not yet been informed of the action taken upon them.

It will be plain from this summary that the treatment accorded to Indian nationals in other parts of the British Empire is at present a very living issue in the eyes of educated Indian opinion. It is a matter upon which Indian intellectuals, without regard to political divisions or party aims, stand united. Anything which is regarded as an aspersion upon India's dignity is bitterly resented; and exercises a marked influence upon the course of domestic politics.

The above shows the solicitude of the Government of India for its nationals abroad, and its efforts to improve the welfare of its people at Home are not less noteworthy. Here, perhaps, the most important developments have been in the process of uplift of the working classes which has proceeded steadily during the past five years. Systematic efforts have been made to improve the industrial and social conditions of the workers during the last two or three years. Very important investigations have been conducted into the conditions of labour. The Bombay Labour Office for example continues to undertake valuable enquiries and to publish its monthly index figures of the cost of living for the working classes. An important technical enquiry has been concluded into the methods of humidification and ventilation employed in cotton mills and their effect upon working conditions. Moreover, as a result of the draft convention adopted by the International Labour Conference regarding the employment of women before and after child birth, careful investigations have been instituted into the condition of women workers by several local Governments. But the most important of the functions which the State is performing on behalf of labour falls under the head of legislation. In 1922, the whole law relating to factories was revised, and the new Factories Act provided, among a number of other reforms, for the introduction of a 60 hour week, the raising of the minimum age of children from 9 to 12, a large extension of the definition of "Factory"; and a complete prohibition of night work for women. Further slight amendments in the Act were made in 1923. The Provincial Reports on the administration of the new measure indicate that the reforms have been introduced for the most part smoothly. The effect of the changes may be gathered from statistics. The number of factories which stood at 4,059 in 1921 has risen to 5,985; the increase being in large measure due to the inclusion of a number of institutions of a quasi-agricultural type engaged in the manufacture of tea, coffee, and indigo.

As the great majority of these newly registered factories employed comparatively few persons, the increase in the factory population has not been on the same scale. The total number of factory workers in 1921 was 1.27 millions and since then it has risen to 1.41 millions, an increase of nearly 11 per cent. The number of women employed has risen from 187,000 in 1921 to 221,000 the increase being attributable to the fact that the small factories now included depend to a greater extent than larger factories on female labour. When allowance is made for this, there is reason to think that the factories employ proportionately fewer women than they did in 1921. The number of children employed has increased from 68,000 in 1921 to 75,000. But these figures give no indication of the change in the actual amount of child labour used in the factories now included. In Assam alone, over 11,000 children are employed in tea factories formerly excluded by the Act, and when allowance is made for the effect of the inclusion of the additional factories, it appears plain that children have been excluded from employment in fairly large numbers. This is illustrated by the case of Cotton Spinning and Weaving Mills, in which the number of children employed has fallen by nearly 25 per cent. since 1921. Here, the decrease has been assisted by vigorous measures designed to prevent children from working in two factories on the same day, and the success of these measures in the centres where the practice is most common, affords ground for hope that the abuse may be stamped out. The exclusion of children in the newly registered factories has probably been on at least as large a scale. The statistics of the hours of work show that the percentage of factories maintaining a week of 48 hours or less for men is 27, in 13 per cent. more, the men employed work 54 hours or less. The proportion of factories working in excess of 54 hours is 60 per cent. For women the corresponding percentages are 31, 14 and 55. The movement towards shorter hours is most marked in Bengal and Assam, in both of which Provinces the hours of work for women are 48 or less in the majority of factories. In Bombay, a greater proportion of factories appear to work up to the limits permissible under the Act both for men and women. The maximum weekly hours for children are 36, and it is satisfactory to note that 43 per cent. of the factories employing children limit their work to 30 hours or less. The question of ventilation in factories is receiving attention. In the Central Provinces, owners of Ginning Factories were supplied with illustrations and an explanation of a special dust extracting plant, but it is reported from the Punjab that the expense of the plant has prevented its adoption in that Province. In some quarters, the opposition of the operatives to better ventilation appears well confirmed, and it is stated that the workers themselves frequently close the available windows or fill them with cotton. On the other hand, both from Bombay and the Central Provinces come reports that the effect of improved ventilation is to produce a more contented labour force. The installation of ventilating plant, the regulation of hours of work, the provision of a weekly holiday, and the other means adopted to improve conditions, appear in some cases to have converted staffs previously discontented into a body of well satisfied operatives.

In addition to the amendment of the Factories Act, the Mines Act has also come in for a drastic revision. The chief reforms introduced into the new Mines Act of March, 1923, were the prohibition of the employment of children under 13 years, and the prevention of their presence below ground; the restriction of the hours of labour of adults to 60 hours a week above ground and 54 hours below ground, and the prescription of a weekly

day of rest. Increased penalties have also been provided for disobedience of orders resulting in death or serious injury to workmen. At the same time, by an enlargement of the definition of "Mine," the scope of the Act has been greatly extended. The Act also makes it possible for Government to prohibit employment of women below ground. Since the total number of women employed in Indian Mines is over 80,000 and of these 63,000 are employed in coal mines, where they constitute about 35 per cent. of the labour force, the problem of exclusion is one of considerable difficulty. The question has been referred by the Government of India to local Governments, and has formed the subject of keen discussion by the interests concerned.

A very important event in the labour world was the coming into force in 1924 of the Workmen's Compensation Act on the 1st July. This measure includes practically all the employees in factories and mines and on railways. It also extends to a number of other occupations, covering upwards of 3 million workers. There are several factors which render the operation of a measure of this kind difficult. In the first place, industrial labour is largely migratory, being agriculturist at heart. The workmen serve industry for only a portion of their lives and expect ultimately to return to their villages, which may be hundreds of miles away. Secondly, the ordinary workman is not in a position to enter into expensive litigation, nor has he any organisation to assist him in carrying through a protracted case. In spite of this, the tendency to litigation is far more pronounced in India than in western countries. Thirdly, there is a paucity of qualified medical men. All these difficulties have been realised in the framing of the Act, which in some of its details differs widely from typical European measures designed for the same purpose. But the introduction appears to have been effected smoothly, and the measure is generally recognised as one for which there was a real need. A pathetic confirmation of this view is afforded by the occurrence, in the first month of the operation of the Act, of the most serious accident which has yet happened in an Indian factory, when owing to the sudden collapse of a portion of a mill in Ahmedabad, some 30 lives were lost. The Workmen's Compensation Act, together with the measures described above, demonstrate the importance which the Government of India now attaches to labour legislation.

Among the most interesting of the attempts now being made by legislation to safeguard the interests of the Indian workers is the recent introduction of a Bill for the protection and registration of Trade Unions in India. In the course of the year 1921, Labour Unions came prominently before the notice of the general public on account of the magnitude and frequency of the strikes which took place. But the development of the Trade Union movement has been largely conditioned by the peculiar characteristics of Indian labour. The Indian workman is predominantly illiterate, and has few leaders from his own class to whom he can turn for guidance. In consequence, trade unionism in India has been largely led by middle class men, professional lawyers and others, who have not in all cases distinguished between economic and political considerations. Moreover, with the exceptions of the Unions which have been built up in the larger towns, on the railways, and in some public utility services, the majority of these bodies still bear the mark of their origin as strike committees. Very often as soon as a strike is settled, the Union disappears, since it has no regular constitution or definite subscription, no system of auditing or

publishing accounts and no funds for providing help to women and children in time of distress. As a result, the progress of the Trade Union movement during the last few years has been disappointing, its existence being too much bound up with the occurrence and successful conduct of strikes. When the workers possess definite and real grievances, and particularly when there is a marked gap between nominal wages and the cost of living, the inchoate combinations generally characteristic of Trade Unionism in India, are comparatively effective. But when economic stringency begins to pass away, the bond which unites the workers constituting all but the few really well organised Unions in India, tends greatly to weaken. So, until attention is paid to the construction of permanent organisations on a sound financial basis, the Trade Unions of India cannot be expected to make much progress, except in important periods of protracted and acute industrial struggle. During 1924, there was a considerable diminution of industrial unrest, as compared with the years 1920-23 the total number of strikes reported during the year being 132 as against 214 in 1923 and about 400 in 1921. The great majority of the 1924 strikes were shortlived and unimportant. There was, however, a serious strike early in the year. For some time, the Bombay mill-owners had been accustomed they announced that owing to bad trade, they would be unable to declare to pay in the middle of January a bonus to their operatives. In July 1923 a bonus at the usual time. This decision, though it came as a disappointment to the operatives, resulted in no cessation of work until the middle of January 1924 when demands for the bonus led to the commencement of strikes in certain mills. The strikes spread rapidly, and by the close of the month, the operatives of practically all the cotton mills in Bombay city and island had joined. Following the report of the Committee of Enquiry appointed by the Bombay Government, the strike collapsed on the 25th March. Many of the operatives had then left for their villages, and about another month elapsed before the mills were again working at full strength. The total number of operatives affected were over 1,60,000 and the number of working days lost was in the aggregate close upon 8 millions. The circumstances of this strike were remarkable. Among the very large number of operatives affected, there were scarcely any trade unions. None the less, the strike was protracted, and the general freedom from acts of violence was noteworthy.

The legislation referred to is designed to provide for the registration of Trade Unions and in certain respects to define the law already existing. The subject was first raised in the Assembly in 1921 as a result of a decision of the Madras High Court which seemed to threaten the activities of those who organised Unions for the purpose of improving the status of labour. The proposals made by Government were in the interval widely circulated throughout the country, and in the light of the opinions received, a draft Bill was prepared and published in September 1924. The care which the Government of India took to obtain expert criticism and advice in this very important subject is shown by the following extract from a speech delivered by Lord Reading to the Associated Chambers of Commerce in Calcutta on December 15th, 1924 :—

“ Two items on the agenda refer to legislation regarding Trades Union, and trades disputes. As regards the former bill the position is that after consultation with local Governments, my Government have reached provisional conclusions which have

been embodied in a bill. The bill has been published and circulated with an explanatory letter and it is intended to introduce it, with such modifications as may appear desirable in the light of criticism received, in the ensuing Delhi Session of the Legislative Assembly. The Bill provides for taking simple steps to recognise the right of association among workers and to give associations of this character a definite legal status. The bill may be considered in some quarters as premature ; but there is obviously something to be said for taking preliminary measures at the outset to deal with the trades union movement in India on sound lines. The movement can hardly fail to assume importance in the future. Your Associated Chambers were in favour of Government taking up the question of preventing trade disputes simultaneously with any legislation relating to Trades Unions. The provisional conclusions of my Government as regards trade disputes have also been embodied in a bill which has been published and circulated with an explanatory letter to invite criticism. From the opinions received up to now it appears that the provisions of the Trades Union bill have received a considerable measure of approval but some criticisms have been directed against several of the clauses of the trades dispute bill, particularly those relating to strikes in the utility services. Let me make it clear that the views of my Government as expressed in these bills are tentative only and my Government will welcome criticisms and suggestions for improvement and are prepared to make such changes in these bills as may appear desirable in the light of the comments received."

The Bill, as introduced in February 1925 offers to all *bona fide* Trades Unions the opportunity of registration, which involves certain liabilities and confers certain privileges. These liabilities and privileges are alike confined to registered Unions, and the legal position of unregistered Unions or other Associations is left unaffected by the Bill. As regards liabilities, the Bill requires registered Trades Unions to frame and supply rules in respect of certain specified matters, to have their accounts audited, to include in their executive a majority of persons actually employed in the industry with which the Union is connected, and to confine expenditure of their funds to certain specified objects. As regards privileges, the measure will protect the officers and members of Trades Unions from liability in respect of breaches of contract or restraint of trade arising from acts done in furtherance of trade disputes. Registered trade unions will enjoy a large measure of protection from liability for the tortious acts of their agents, and their officials will receive a certain measure of protection from prosecution for criminal conspiracy in respect of trade disputes. The Bill was referred to a Select Committee and passed into Law in February 1926.

As a member of the League of Nations, India has of late been obliged to consider and take action upon various draft conventions affecting labour. These conventions have been of considerable influence in shaping the provisions of the Factories and Mines Acts, to which reference has already been made. A convention designed to safeguard young persons employed at

sea has also been approved by the Indian Legislature. India is now recognised as one of the eight chief industrial States of the world. Her obligations from the international stand-point are on the increase. She was represented at the sixth session of the International Labour Conference at Geneva in June and July, 1924, which adopted a recommendation concerning the development of facilities for the utilisation of workers' spare time. This recommendation contained nothing to which objection could be taken on the grounds of principle, and it was forwarded for necessary action to the local Governments, who are responsible for the administration of the subjects with which it deals. As regards other items on the Agenda, the Conference followed a new method, by which three draft conventions and a recommendation were provisionally approved and postponed for consideration at the next Conference. The three draft conventions and the recommendations provisionally adopted, concern equality of treatment for national and foreign workers as regards workmen's compensation, the weekly cessation of work for 24 hours in glass manufacturing processes where tank furnaces are used, and a draft convention on night work in bakeries. The new procedure has been designed to enable various countries to give full consideration to any proposals which may be made and to ensure that their delegates will have adequate instructions before the final votes are recorded. The next Conference will decide which of the above proposals and in what form are finally to be adopted. Speaking at the annual meeting of the Associated Chambers of Commerce of India and Ceylon at Calcutta on the 14th December 1925 Lord Reading summarised the work of his Government in the following words:—

“ The last 5 years have seen remarkable progress in labour legislation. Indeed more has been accomplished in the period than in the whole preceding generation. There has been a radical revision of the Factories Act, introducing a 60 hours week, the exclusion of children between the ages of 9 and 12, the abolition of night work for women and other reforms. The new Mines Act enforces somewhat similar reforms, a curtailment of hours, a weekly rest day and the stoppage of child work. Antiquated legislation dealing with breaches of workman's contract has been repealed. The Workman's Compensation Act has introduced for the first time a comprehensive system for alleviating hardship caused by industrial accidents. A Bill to encourage and protect healthy Trades Union Organisation is before the Assembly. The question of providing means of conciliation in trade disputes has been thoroughly explored, but it would be premature to legislate on this question until the Trades Union Bill has become law. In the measures we have adopted the employers have been fully taken into our confidence in the preliminary stages; and their readiness to co-operate, even where their immediate interests were to some degree prejudiced, is most laudible. Some may think that the pace of reform in labour legislation has been unduly rapid, but our action has followed that adopted by most civilised countries and is in accordance with principles which will scarcely be disputed. The measures placed on the Statute book have been, in my view, well considered. They were designed to meet genuine needs and to

remedy admitted defects. I am convinced that public opinion generally will regard them, as experience in working the rules is gained, as not only necessary when judged by ethical standards and directly beneficial to the workers concerned, but as actually advantageous also to industry generally."

Such main elements in public welfare as the policy to be pursued by Government towards drug and drink traffic and medical relief are now under the direct control of provincial administrations, but even here the ultimate responsibility and some of the driving force must come from the Central Government. The Government of India has persistently followed a progressive policy with regard to opium. Its production, transit and sale inside India have been controlled by concentrating cultivation, and since 1921 the consumption of the drug has fallen in every province in India, even in Assam—the only province, perhaps, in which no "opium problem" exists. As far as the export of opium to places outside India is concerned, the Government of India stand by the provisions of the International Opium Convention and even in some ways go beyond those provisions. By 1923 the total number of chests exported from India had fallen to 8,554 as compared with 15,760 a decade earlier. The exports to China had fallen from 4,612 chests to zero, those to Singapore from 2,367 chests to 2,100 to Hong-kong from 1,120 to 240, to Penang from 200 to *nil*, to Colombo from 150 to 30, to Batavia from 3,535 to 900.

Speaking in the Legislative Assembly in March 1925, the Finance Member briefly outlined the Government of India's opium policy:—

"In regard to the exports, they are carrying out their agreement under the Convention to the full. They have in one or two cases gone beyond it. In the case of Macao, where they were convinced that the amount imported under license was more than the colony could possibly require for internal consumption, they did go beyond the Convention and seriously restricted the amount for export. The Government will be perfectly happy to see these exports further reduced. They do not wish to secure revenue out of the degradation of other countries, but they do not see that they are going to help forward any useful work if they themselves suddenly or even over a period of years, without co-operation from elsewhere, deprive India of her revenue and the cultivators of their employment by refusing to send exports of opium to countries whose Governments continue to license their import, in pursuance of the policy which those Governments have themselves agreed to carry out, of gradual reduction, since the only result so far as the Government of India can see of such an action on their part would be to mulct the Indian tax-payer in a considerable sum of money and have no effect whatsoever on the amount of opium imported to and consumed in these places."

There has thus been a steady and progressive decrease in the amount of opium produced and consumed in India and in her exports abroad. In medicine the most noteworthy action of the Central Government is, perhaps, the constitution of an Indian Council of the British Empire Leprosy Relief Association in the formation of which His Excellency has personally



taken the initiative and the leading part. He proposed the formation of the Council in order to inaugurate and carry on in India an earnest campaign against the disease and directed that the fullest possible information regarding the incidence of the disease in India should be collected. The Government of India, accordingly, addressed local Governments and administrations for the collection and transmission of such particulars to the Director General of the Indian Medical Service for use by the Indian Council. His Excellency also issued an appeal to the public for funds, which met with an encouraging response, and it is not open to doubt that his work will powerfully help to protect future generations in India from this dreadful scourge. Speaking at the inaugural meeting of the British Empire Leprosy Relief Association at Delhi on January 27th, 1925, His Excellency explained the fundamental objects of his appeal—

“ Let me define with greater precision the character of the fund to which I am now asking you to contribute. This is no mean task that we have undertaken. The menace to the well-being of the people and the burden which leprosy lays upon them are both greater than is commonly realised. It has been estimated, for instance, that the census returns reveal less than one-quarter of the total number of lepers in India, and that, on a conservative reckoning one in every three to four hundred of the population is a leper. This single fact gives us some measure of the magnitude of the task before us. The solution of the problem, therefore, calls for a very special effort on the part of the whole Indian community.

The prosecution of this campaign will require a large expenditure of money; and I wish to make it plain that the aim of my appeal is to furnish the Indian Council with a really substantial endowment which will ensure to the benefit of future generations as well as our own, and will place on a basis of permanence, the work which we are able to inaugurate. If we are to carry out the programme drawn up by my Medical Advisory Committee, a capital fund of generous amount is needed.

The management of all the affairs of the Indian Council has been entrusted to a General Committee of which the Executive Committee is the working instrument. You will find in the leaflet now in your hands that I have enlisted the powerful support of Their Excellencies the Governors of all the Provinces, and the indispensable co-operation of some of the Ruling Princes. The appeal itself, which is now being launched for the whole of India from this platform, will be speedily reinforced by meetings held under the auspices of the Governor of each Province and the heads of many Indian States; and I have decided to invite each of these authorities personally to be the accredited representative of the Indian Council within his own Province or State. No doubt much money will flow into the hands of the Treasurer of the Central Body, but considerable sums will also be subscribed to the Provincial Branches of my fund. I wish, therefore, to say that, while all monies collected for this leprosy appeal will

be transmitted to the Treasurer at headquarters, the Indian Council will design its general plan of operations, and authorise any necessary expenditure from time to time, according to an all-India plan in which the interests, the contributions, and the needs of each Indian State, Province, or Administration will receive ample consideration. Let me observe at this point that, inasmuch as the further promotion of research is one of the most important functions of this appeal, expenditure upon it must necessarily be authorised with the sole and single aim of producing the speediest and most enduring result. Beyond this, in any special training of medical men that may be necessary, in the measures taken for the establishment of dispensaries, colonies, and other appropriate institutions, and in the provision of the material for educating public opinion, I propose to instruct the Committees and officers of the Indian Council to practise a meticulous regard for the interest of Provinces. In general, I think, that a study of the *personnel* to whom I have entrusted the management of this appeal and the promotion of any measures arising out of it, will offer the necessary assurance to all interested that no substantial or legitimate interest will be neglected."

Medical research in general has also not escaped the attention of Lord Reading's Government. In this field, financial stringency has of late hampered development, but in the budget of 1925-26 provision has been made once more for a subvention to the Indian Research Fund Association, whose activities have suffered temporarily from retrenchment. This body conducts important investigations into the epidemics with which India is afflicted. Towards the end of 1923, a conference of medical research workers was held in Calcutta, which a large number of medical officers attended. As a result of its deliberations, the Government of India appointed an expert commission to enquire into the origin and progress of *kala azar*. The expenditure has been met partly from central revenues and from the Indian Research Fund, and partly from contributions made by the local Governments concerned. In other directions also, the conference proved of such value that a similar meeting was convened in October 1924. The deliberations proceeded along four principal lines. The first was the financial position of the Indian Research Fund Association, and the research programme for 1925-26. Next came discussions concerning the nature and causes of disease requiring urgent investigation and the lines upon which investigation should be conducted. These topics led naturally to a consideration of the promotion and co-ordination of research in India, and particularly of the possibility of enlisting the co-operation of medical practitioners, both civil and military, who have opportunities for investigation. Here again, results will have to be looked for in the improvement to health of future generations of Indians.

Lastly, it would not be right to close this chapter without a mention of the work of Her Excellency the Countess of Reading in this field of medical relief, more particularly in so far as it is directed to bettering the lot of the women of India and their babies. Among the most pressing problems of India's public health is infant mortality. It has been calculated that every year some 2 million Indian babies die. Birth registration is still too casual to afford precise data, but it may be stated with confidence that one in six, or perhaps even one in five, of the infants born in India

perish within the first year of life. In crowded Industrial cities, the rate is even more lamentable, and it is believed that in certain localities the death-rate varies from over 200 to 600 per 1,000. In England the corresponding rate averages about 80 per 1,000. Of late, much attention has been directed to remedial measures. Lady Reading has taken up the work, and the movement she has initiated, known as the National Baby Week has caught the imagination of large sections of the people all over India. It would be difficult to exaggerate the practical importance of the stimulus thus afforded to the Infant Welfare movement. The exhibitions, lectures, and the baby shows, which annually take place in all the most important centres of India, have aroused public interest in an unprecedented degree. The local operations are directed by Provincial Committees of the National Baby Week, whose members display the keenest enthusiasm. Year by year the number of new towns applying for assistance in organising a Baby Week increases. There is an ever-growing demand for leaflets, pamphlets, model lectures, cinematograph films, and magic lantern slides. Various benevolent institutions such as the Poona Seva Sadan Society, the Social Service League, and the Servants of India Society, have thrown themselves with enthusiasm into the task of furthering the campaign. The Poona Seva Sadan Society has seven infant Welfare centres and ante-natal clinics working in conjunction with the two maternity hospitals it conducts. In short, a great national organisation has been created for the diffusion of knowledge concerning the requirements of babies both before and after birth. The new Baby Week movement is supplementing the efforts of older institutions such as the National Association for Supplying Female Medical Aid to the Women of India. Further, Lady Reading has initiated a scheme for training Indian nurses and doctors in larger numbers, which, as time goes on, should do much to improve the situation. But among the vast multitudes of the Indian population, the scope for child welfare work is so extensive that many years must elapse before the problem can be pronounced as on a fair way to solution.

The movement is not confined to British India but has been taken up by the Indian States. An enthusiastic reference to her work was made by the Maharao of Kotah at a banquet given to the Viceroy at Kotah on March 3rd, 1926 and similar appreciation has been expressed by the rulers of other states.

Nothing is more significant than the comments of Indian Newspapers of all communities and of all shades of political opinion on the subject of the Baby Week. Sentiment is unanimous and generous and it is a great relief after the asperities of political discussion in India to read these comments in which there is no jarring note, only a whole-hearted and grateful recognition of the fact that Her Excellency's labours in India must inevitably cause a permanent betterment of the lot of millions of Indian women and children.

## CHAPTER VII.

### ADMINISTRATION, 1921—1926.

At the close of Lord Reading's Viceroyalty the internal condition of India is better than at any other period during the last decade, and it is very difficult to realise that the country has so recently passed through a storm in which her administrative system might easily have foundered. In the introductory pages to this report I referred to the state of affairs which existed when Lord Reading assumed office, and here I will deal in some detail with the events of the troublous years which followed April 1921.

The main assaults on the peace and good order of India during the earlier years of Lord Reading's Viceroyalty came from the non-co-operation and Khilafat movements, the Akali Sikh movement and the wave of crime and feeling of insecurity to which these gave rise. Partly connected with these main disturbing forces but, also, partly independent of them is the dangerous estrangement between the two great communities of Hindus and Muhammadans, which since September 1922 has been a dangerous feature in the internal situation of India. For the first two or three years, also, of our period, tribal aggressions on the North-Western Frontier, particularly on the Waziristan border, put a great strain on the administration of the Frontier Province and frequently gave cause for grave anxiety.

By April, 1921, the influence of Mr. Gandhi and the Ali Brothers, who were leading the Non-co-operation-cum-Khilafat agitation, was at its height, and until the arrest of the Ali Brothers in September 1921 they were continually touring India from end to end preaching and agitating. They attracted, as a rule, enormous crowds, most of whose members were convinced that Mr. Gandhi possessed divine attributes and miraculous powers. These three men undoubtedly believed that they were on the point of overthrowing the British power in India, and, speaking at Lucknow in February 1921, Mr. Gandhi declared openly "to-day we are ruling India. The Government cannot cajole anybody.....I positively assert that we are ruling India to-day". All over the country so called "National Volunteer" organisations sprang up and a determined attack was made on the loyalty of military and police sepoys. The labouring masses were exploited with an utter lack of scruple, and strikes became frequent. The Agricultural classes in many parts of India were affected by this propaganda and during 1921 there were serious agrarian outbreaks in parts of Oudh, and there was also a movement against European land-lords in the planting areas of Behar. In Madras and Assam the peasantry were successfully incited to defy the forest laws and the non-payment of revenues was vigorously preached. In Bengal the agitation was directed with considerable success to inciting the peasants to refuse to pay such minor cesses as Union Board and Chowkidari taxes. In fact, all over India the masses, urban and rural alike, were inoculated with an utter contempt for the authority of the Government, and it is not surprising that the internal situation generally

began to deteriorate. During the calendar year 1921 there were no fewer than sixty outbreaks of varying seriousness in different parts of India. Their most common cause was mob violence consequent upon the arrest of "National Volunteers" for breaches of law. At Giridih in Behar in April a series of riots occurred in connection with the trial of some volunteers who had attempted to enforce the decrease of a locally constituted "Arbitration Committee". A mob of ten thousand people looted the police station there and burnt the records after unsuccessfully attempting to storm the jail. In the same month there was a much more serious outrage in Malegaon in Bombay, where a brutal explosion of mob violence arising from the trial of Khilafat workers, who had perpetrated intolerable terrorism, resulted in the murder of a Sub-Inspector and four constables. Almost simultaneously with these two outrages occurred a collision between police and "National Volunteers" in the Madras Presidency. Throughout May there had been labour troubles in many parts of India largely excited by the non-co-operators. The situation in Assam in particular was serious, for thousands of simple and ignorant labourers looking for the advent of the "Gandhi Raj", when all should eat without toiling, were being persuaded to break their contracts, to leave their work and their positions in a pathetic endeavour to make their way home to the villages, often hundreds of miles away, from which they had come originally. Strikes on the Railways caused by non-co-operation demagogues, out of alleged sympathy, seriously complicated matters, and until the strikers saw to their indignation that they were being used as a cat's paw in the political game, something like a deadlock resulted. In July, again, sporadic disorders broke out afresh. Labour troubles in Madras complicated by bitter communal disputes between caste Hindus and Panchamas led to formidable rioting, widespread arson and regrettable loss of life. The hand of the non-co-operator was more directly manifest in riots in Karachi and Dharwar in the Bombay Presidency arising out of aggressive picketting of liquor shops; while the trial of "National Volunteers" led to disturbances at Calcutta and Chittagong as well as to a most formidable outbreak of mob rule and anarchy necessitating the despatch of troops to Aligarh. But there is no need to continue this grim catalogue, for all these events are overshadowed by the terrible Moplah outbreak in August 1921, which was a direct outcome of the non-co-operation-cum-Khilafat agitation. Speaking at the opening of the Simla session in September, His Excellency described the outbreak in the following words :—

"It is obvious from the reports received that the ground had been carefully prepared for the purpose of creating an atmosphere favourable to violence, and no effort had been spared to rouse the passions and fury of the Moplahs. The spark which kindled the flame was the resistance by a large and hostile crowd of Moplahs, armed with swords and knives, to a lawful attempt by the Police to effect certain arrests in connection with a case of house-breaking. The Police were powerless to effect the capture of the criminals, and the significance of the incident is, that it was regarded as a defeat of the police and, therefore, of the Government. Additional troops and special police had to be drafted to Malabar in order to effect the arrests. The subsequent events are now fairly well known, although

it is impossible at present to state the number of the innocent victims of the Moplahs. These events have been chronicled in the Press and I shall not recapitulate them. The situation is now, to all intents and purposes, in hand. It has been saved by the prompt and effective action of the military and naval assistance for which we are duly grateful, although some time must necessarily elapse before order can be completely restored and normal life under the civil Government resumed. But consider the sacrifice of life and property ! A few Europeans and many Hindus have been murdered, communications have been obstructed, Government offices burnt and looted, and records have been destroyed. Hindu temples sacked, houses of Europeans and Hindus burnt. According to reports, Hindus were forcibly converted to Islam, and one of the most fertile tracts of South India is threatened with famine. The result has been the temporary collapse of Civil Government, offices and courts have ceased to function, and ordinary business has been brought to a standstill. European and Hindu refugees of all classes are concentrated at Calicut, and it is satisfactory to know that they are safe there. One trembles to think of the consequence if the forces of order had not prevailed for the protection of Calicut."

By the time these words were spoken, the Ali Brothers had been arrested for issuing a 'Fatwa' to the effect that service in the Army and Police was unlawful for Muhammadans. The arrests were the climax to a series of attempts initiated by the Indian Government, in which Lord Reading took a personal part, to arrive at some peaceful solution of the agitation. In May, as a result of the good offices of Pandit Madan Mohan Malaviya, a series of interviews were arranged between the Viceroy and Mr. Gandhi. What passed in the course of these interviews, was not made public, but a few days after Mr. Gandhi had left Simla, the Ali Brothers published an apology in the following terms :—

" Friends have drawn our attention to certain speeches of ours which, in their opinion, have a tendency to incite to violence. We desire to state that we never intended to incite to violence and we never imagined that any passages in our speeches were capable of bearing the interpretation put upon them. But we recognise the force of our friends' argument and interpretation.

We therefore sincerely feel sorry and express our regret for the unnecessary heat of some of the passages in these speeches, and we give our public assurance and promise to all who may require it, that so long as we are associated with the movement of non-co-operation we shall not, directly or indirectly, advocate violence at present, or in the future."

The effect of this apology, which was very considerable, was emphasised by Lord Reading in a speech delivered a few days later :—

" I informed Mr. Malaviya that if Mr. Gandhi applied to me for an interview I would readily grant it, and I should be glad to hear his views. The consequence was that in due course

Mr. Gandhi did apply, and there was not only one interview, but several interviews between us. There was no finesse or manoeuvre about it. It seemed to be a plain and straight forward arrangement for a interview.

Here again I think I am not quite free to tell you all that you might desire to know. Yet I will say that I am quite certain that these interviews produced at least this satisfactory result, that I got to know Mr. Gandhi and he got to know me.

This may be somewhat vague and indefinite, yet it is not entirely so. As you may be aware, the result of these visits and discussions was that Mr. Mohammed Ali and Mr. Shaukat Ali have issued a public pronouncement, which doubtless you have seen to-day, expressing their regret for certain speeches that they had made inciting to violence, and have given a solemn public undertaking that they will not repeat these speeches or similar speeches so long as they remain associated with Mr. Gandhi. I do not want to discuss this matter at any length, I merely refer to it as showing that the interviews were not entirely fruitless, because, so far as Government is concerned, we achieved our immediate object, which was to prevent incitement to violence. I have had occasion once before to say that it almost always reacts with fatal effect upon those who are most innocent.

As a Government we have a duty to perform. We have to protect those who may be thus led away, and we therefore had determined to take steps in order to vindicate the law, to maintain its authority, and to prevent the recurrence of any further violence. Fortunately it has not been necessary to have recourse to the ordinary law of the land, for the reason that we have now got the undertaking to which I have referred. I certainly shall assume that it is intended to keep that undertaking and that the expressions of regret are as sincere as those expressions seem to denote ; and so long as that undertaking is observed we need not fear that such speeches will recur and, provided the undertaking is observed, they, too, may be sure that there will be no prosecution for them."

This struck a severe blow at the reputation of the Ali Brothers. They attempted to deny that the apology was offered to Government, and they even succeeded in obtaining the half-hearted support of Mr. Gandhi to their position. But the fact remains that their credit with the more fanatical members of their own community was shaken, and the non-co-operation movement on the Khilafat side suffered a defeat. The policy of suspending a prosecution after obtaining a public apology was employed in numerous other cases, also with good effect. Unfortunately, however, as we have seen, this amelioration of the position proved to be only temporary and Mr. Gandhi continued his propaganda which resulted, apart from the active disorders already described, in an intensification of the boycott of imported goods, liquor shops, law courts, schools and other institutions. Immense numbers of "National Volunteers" were enrolled, whose activities in every province in India threw an increasing strain on the administration. Naturally the Government of India took

all possible steps to counter this state of affairs whilst avoiding over-drastring action against the less dangerous or less violent adherents of the agitation. They indicated in a letter dated June 1921 to local Governments that they were not to prosecute persons whose prosecution might have great effect outside the province, without consulting the Government of India. In the same letter they also invited local Governments to give certain other convicted persons the same *locus paenitentiae* which had been given to the Ali Brothers. They realised that in the changed position of India under the new constitution it was impossible without damage to the declared policy of His Majesty's Government to embark upon a campaign of repression which, if effected, would have intensified racial feeling, paralysed the Liberals and nullified the Reforms. But the terrible outbreak at Bombay, on November 17th, the day of the landing of H. R. H. the Prince of Wales in India which resulted in the death of 53 persons and injuries to about 400 more, when viewed in conjunction with the general Hartals and widespread intimidation which were going on, showed that the ordinary criminal law had proved ineffective and would have to be reinforced. Finally the announcement of a campaign of Civil Disobedience in Gujrat seemed to threaten that this movement, if not decisively checked, would spread to other provinces.

In these circumstances, Government determined to supplement their anti-non-co-operation activities by employing, for the defence of society and of the state, certain Acts conferring extraordinary powers upon the Executive. Local Governments were accordingly informed that for the purpose of checking this increasing volume of inflammatory speeches, the application of the Seditious Meetings Act to any district in which it was considered necessary would be sanctioned. They were also instructed that the provisions of Part II of the Criminal Law Amendment Act of 1908 should be vigorously employed for combatting the illegal activities of the volunteer associations, whose drilling, picketing and intimidation were threatening the peace of the country. The Government of India further called for more vigorous action on the part of the police in protecting peaceful citizens from terrorism; urged that every effort should be made to prevent the seduction of constables and soldiers; and instructed the provincial administrations to deal promptly with incitements to violence, to sedition, and to the inception of civil disobedience.

Local Governments were not slow to take action on these lines. Some had already issued instructions to their officers to the same effect. From this time forward, a steadily increasing pressure was exerted upon those forms of non-co-operation activity which were directed towards the effacement of law and order.

Lord Reading himself embraced the opportunity afforded by the presentation to him of various addresses to make plain the position of his government. He emphasised in his replies the determination of the State to spare no effort to protect peaceful law-abiding citizens against violence, coercion, intimidation, or other breaches of the law. But amongst the first effects of the action taken by Government against the volunteers was the arrest of a considerable number of high-minded and much respected persons who were believed by many Indians to be animated by motives of disinterested patriotism. The prosecution and conviction both of these people and of a number of immature and misguided students led to a disappointing revulsion on the part of moderate



sentiment. Further, the Seditious Meetings Act falls within the category of those enactments which Indian opinion stigmatises as "repressive", and its application, even in the circumstances already related, gave rise to uneasiness. There became manifest noticeable inclination to represent the new policy as an interference, for political purposes with the rights of freedom of speech and of freedom of association, and on this ground a disposition was shown to make common cause with the extremists in attacking Government. With some members of the Moderate Party, this attitude seems to have been due to the belief that the latest manifestation of Government policy was calculated to cement that unity among the non-co-operators which was now fast breaking down under the influence of internal dissensions, and to supply the movement with a new and undesirable lease of life. In part also, it seems to have been due to sympathy for high-minded, if mistaken, people who were the earliest victims of the majesty of the law; and in part, to a general belief that the powers now employed by the executive were being misused in an oppressive manner by subordinates. At this juncture Government acted with the utmost care. The key-note of official policy was to allow the Moderates to experience for themselves that bankruptcy in reason and statemanship which distinguished the extreme section of the non-co-operating party. To the success of this policy, which resulted in the gradual reassuring of Liberal opinion, the great judicial reputation of Lord Reading, and the admirable temper of his speeches, materially contributed. Instructions were issued that in the prosecution of volunteers, evidence should be recorded in full and all legal formalities scrupulously observed, and consistent efforts were made to dispel the impression—which the non-co-operators steadily fostered—that Government was embarking upon a policy of indiscriminate arrests and vindictive severity towards even the most peaceful activities of Mr. Gandhi's party. When certain of the Moderates displayed a great anxiety to arrange a compromise by means of a Round Table Conference, Lord Reading did indeed make plain the fact that nothing could be done until the non-co-operation party discontinued open breaches of the law, and the practice of intimidation; but he did not discourage efforts which were so plainly well-intentioned. Pandit Madan Mohan Malaviya and the other would-be peace-makers found that it was Mr. Gandhi who was adamant. As if anxious to discount the charges of weakness freely brought against him by his own followers in connection with his Bombay pronouncements, he demanded, as a preliminary to any conference, the withdrawal of the recent proscription of the volunteer organisations and the release of all persons—including the Ali Brothers—recently convicted for what he described as non-violent activities. He on his part announced his intention of continuing the recruitment of his volunteers and of pushing on preparations for civil disobedience, the project of which he had again revived. Accordingly when a deputation of intermediaries waited upon the Viceroy in Calcutta on December 21st, 1921, they were not in a position to put forward, on behalf of the non-co-operators, any pledges of good behaviour of the kind which Government could accept.

In his reply Lord Reading said :—

"The immediate purpose of your representation is that I should invite leading representatives of all shades of political opinion to a conference—in your words "to take counsel together and

consider practical suggestions and recommendations concerning the remedies which should be adopted ;” and you recommended—indeed, your language is that it seems imperative—that the various notifications and proclamations recently issued by the Government should be withdrawn and all persons imprisoned as the result of their operations immediately released. I can scarcely conceive that you have intended to present to me such recommendations without having in your minds, as a necessary corollary, the equally imperative necessity for the discontinuance of those activities which have led Government to adopt the measures now forming the subject of discussion. I do not propose to discuss these measures but I will assume that they form the subject, as I know, of acute controversy. They were adopted by Government with the object of giving protection to law-abiding citizens particularly here in Calcutta and in other parts of India—I have already said it was not a new policy ; it was the application of the policy which lies at the very root of all civilized government, *i.e.*, the maintenance of law and the preservation of order. But nevertheless I will assume, as your language indicates, that there are considerable doubts as to this policy, and that differences of opinion exist as to the necessity or the advisability of the measures taken. The opinions of Governments are formed upon a general presentation of facts, they cannot be lightly arrived at, and they necessarily are the opinions of persons to whom great positions of trust and responsibility have been confided. I mention this, not that you should be asked to accept the dictum of the Government, but merely for the purpose of emphasising to you the reasons for this policy.

The tenor of your address implies your recognition, in which I cordially agree, of the need of a calm and serene atmosphere for a conference. Indeed, in my judgment, it is impossible even to consider the convening of a conference if agitation in open and avowed defiance of law is meanwhile to be continued. Unfortunately, I look in vain in your address for any indication that these activities will cease. I fully understand that none of you is in a position to give an assurance to this effect, for none of you have been authorised to make it. I hope that I shall not be misinterpreted. I am not suggesting any reproach to anyone concerned. All I mean is that whatever hopes may have been entertained have not been realised, and that therefore when we are meeting to-day—necessarily rather hurriedly in view of circumstances—the assurance for which I confess I had been looking as a necessary part of this discussion is not forthcoming. I quite appreciate that there may have been difficulties in the brief time allowed and also in the great distances separating us. I do not know from the address presented to me what view is taken by the leaders who are responsible for non-co-operation activities in the sense that I find no assurance from them that these activities will cease if a conference were to be convened. I am asked, without such an assurance, to withdraw Government

measures called into operation by Government under an existing law for the protection of law-abiding citizens and to release all those arrested for defying this law. I cannot believe that this was the intention of the deputation when originally suggested, for it would mean that throughout the country intimidation and unlawful oppression and other unlawful acts should be allowed to continue whilst Government action to maintain order and protect the law-abiding citizen would be largely paralysed. I need scarcely tell you that no responsible Government could even contemplate the acceptance of such a state of public affairs ; neither can I really believe that you ever intended it, for it would suggest that Government should abandon one of its primary functions.

I have no doubt that most of you come under the same impression as myself when I intimated in reply to a request from Pandit Malaviya that I would willingly receive this deputation. It is very necessary that I should make plain that all discussion between myself and Pandit Malaviya, preliminary to this deputation, proceeded upon the basis of a genuine attempt—I believe a disinterested and honourable attempt—to solve the problems of unrest by means of discussion and consideration at a conference, and that meanwhile there should be a cessation of activities on both sides of unlawful operations on the part of the non-co-operationists and of Government prosecutions and imprisonments. I wish it had been possible to consider the convening of a conference in the same atmosphere as characterised the discussions between Pandit Malaviya and myself. I would wish nothing better and nothing more conducive to beneficial results and more in accordance with patriotism. Let me add—speaking not only for myself but also for all the members of my Executive Council, whom I have naturally consulted upon the situation that has arisen—nothing is further from our wishes than the arrests and imprisonments of citizens—more particularly citizens of reputation, or sons of men of high honour and reputation in the country whose emotions have led them into conflict with the law. I do not hesitate to say that I hate this making of numerous arrests and prosecutions. But nevertheless, so long as there is open defiance of law, Governments have no other course. There may be discussions about measures. I can quite conceive that men in high positions and understanding of public affairs may wish to make representations to a Government upon a particular measure, or that in the legislatures steps may be taken for the purpose of calling attention to it. I understand that the wisdom and judgment of Governments or of a particular Government, may be brought under consideration. All that is possible. What I cannot understand and cannot conceive is that the Indian—I am not speaking of parties ; I am not speaking of creeds or of races,—but that the Indian is opposed to the proper maintenance of law and to the preservation of order.

I won't recapitulate the conditions that led throughout the various provinces of India to the action taken by Government.

Indeed, here in Calcutta, the facts are too well known to require repetition.....May I observe now that I am not suggesting that there can be no excesses by those entrusted with authority ; some may have occurred. It is very rarely that in such a condition of affairs as existed here some excess may not happen.....It is that every precaution will be taken to prevent recurrence and that every attempt will be made to ensure proper enquiry and that proper steps are taken in the result.

I wish with all my heart that it had been possible to deal with these problems in a large and generous spirit worthy of such an occasion in the history of India. Had there been indications to this effect before me to-day in the representations which you have made in your address on the part of the leaders of non-co-operation ; had the offer been made to discontinue open breaches of law for the purpose of providing a calmer atmosphere for discussion of remedies suggested, my Government would never have been backward in response. We would have been prepared to consider the new situation in the same large and generous spirit and I would have conferred with the local Governments for this purpose. I should have wished—and I know that I speak not only my own thoughts but those of Pandit Malaviya in this respect—that if such conditions had supervened, no advantage or triumph should be claimed on either side and no reproach should be made by the one to the other of having been forced to yield or of not having the courage to proceed with its campaign. I should have wished to see a new spirit introduced. In this respect I do not stand alone in addressing you. I believe that if you were to give expression to your views you would all agree with me that a new spirit should be created for the purpose of considering a conference in different circumstances and with higher hopes. I deeply regret that these are not the present conditions, and the discussion which I thought was to have proceeded on the high level of a patriotic desire by temporary mutual concession and forbearance to the finding of a solution of India's present problems, has taken the form in its present aspect of a request to the Government to abandon its action without any guarantee that the action which has led or, as we believe, forced the Government to take such action, would also cease. Therefore it is that to a request conveyed to me even by so influential and authoritative a deputation as yourselves to call a conference coupled as it is with the two conditions of revocation of the law and release of all the prisoners, the answer I must make is that I cannot comply with the request. Those are the conditions presented to me. Here, again, I speak not only my own views but those of those associated with me in the Government of India, who unanimously have arrived at the same conclusion in conference with me. But I should be sorry indeed if any observations I have made could be construed into a refusal for all time to consider the convening of a conference. Certainly I have not intended by the language I have used to

convey that meaning to you. I have too great a regard for the value of discussion and for the consideration of suggestions and recommendations that may be made. I am not one of those who think that all wisdom is to be found in those who happen to be in positions of authority. I have had too great an experience of life not to appreciate that advantage may be derived from discussion and consultation with others who see from different angles and who may have views to put forward which had not occurred to us. But I can only act at the moment, in view of the present existing circumstances; and as they stand, for the reasons that I have given you I must express my great regret that the essential conditions for peace are not forthcoming."

This speech, combined with the uncompromising attitude of Mr. Gandhi, exercised a steadying effect on Moderate opinion, which was shortly confirmed in its traditional dislike of the non-co-operation movement by the events of the next four weeks. When the Annual Conference of the Liberal Federation met in Allahabad, sympathy was expressed for the difficulties of Government, and while the administration was requested to exercise every care in the execution of its new policy, that policy was supported and endorsed. And, as we have already seen, this support and endorsement were implemented by the results of the debates on the Resolutions in the Assembly in discussing the two Resolutions on the repeal of the Government's "repressive" policy and the release of the Ali Brothers in the Delhi Session of 1922. Still, at the beginning of 1922 the position seemed to be growing steadily worse and the inauguration of a campaign of civil disobedience, of which the main feature was to be the refusal to pay Government dues, seemed to be well under way. Mr. Gandhi himself went to Bardoli in Gujrat in order to supervise the conduct of civil disobedience there, but at the critical moment a terrible crime occurred at Chauri Chaura in the United Provinces. On the 4th of February twenty-one policemen and rural watchmen were murdered in the most brutal and deliberate manner by a mob of "volunteers" and peasantry. This savage outrage, which was utterly unprovoked, shattered Mr. Gandhi's hopes of immediate success. Responsible opinion all over the country was horrified and all who were capable of thought realised the danger into which the non-co-operation and Khilafat agitation had plunged the whole country. A recrudescence of agrarian trouble in the United Provinces under the name of Eka, or "one big union" of anti-landlord cultivators, a serious strike, obviously political, on the East Indian Railway and certain similar portents all combined to rouse public opinion against non-co-operation. Mr. Gandhi himself decided to act at once. He called an emergency meeting of the Working Committee at Bardoli on the 11th and 12th of February which resolved to suspend mass civil disobedience at once and to instruct all Mr. Gandhi's followers to abandon every preparation of an offensive nature. As soon as the Bardoli Resolutions became generally known, a lull in the agitation was reported from all over India. The Government of India, however, decided to arrest Mr. Gandhi because it was apparent that although civil disobedience had been postponed, there had been no fundamental change in the policy of the non-co-operators. He himself had frequently offended against the law, but Government had held their hand in the hope that his aversion from non-violence would deter him from a path which, he must have been

aware, could only lead to violence. It was now clear that although he was perfectly aware of the direction in which he was moving, he was still determined to continue in that direction and, therefore, nothing could be gained by giving him more rope. He was prosecuted in respect of four seditious articles which he had published in "Young India" during 1921 and 1922. He was convicted under section 124-A of the Indian Penal Code and sentenced to six years' simple imprisonment on the 18th of March 1922, at Ahmedabad.

From this day the fury of the non-co-operation and Khilafat movements began definitely to wane and by the end of the year the control of the non-co-operation movement had passed to the Swaraj Party led by the late C. R. Das and Pandit Motilal Nehru, who had ceased to be non-co-operators in the strict sense of the word, since they had decided to enter the Reformed Legislatures. It is true that their object in doing so was to make their working impossible. Notwithstanding this, however, the old ideal of absolute abstention from all the institutions of the existing Government had been abandoned and the non-co-operation movement, as such, ceased.

But by this time the Akali Sikh movement was in full force. It is well known how this started as a reforming movement in the administration of Sikh temples and how it soon became captured by non-co-operators and extremists generally. Its main features were the forcible capture of temples from the resident priests or Mahants, many of them, Hindus, who enjoyed their revenues, and undoubtedly in many cases allowed practices to be carried on which were offensive to Sikhs. The terrible massacre at Nankana Sahib in the Sheikhupura District of the Punjab in February 1921 was the event which threw a great majority of Sikhs wholeheartedly into the Akali movement. About 130 men who had gone to take possession of the temple were butchered in circumstances of appalling savagery and, of course, this crime was put to the account of the Government by professional agitators, and Sikh feeling in the Punjab thereafter deteriorated rapidly. The so-called 'Jathabandi'—a system of enrolment of Sikhs, even women, in Jathas or bands under the orders of a central controlling association which grew up under the name of the Shiromani Gurdwara Parbandhak Committee,—spread all over the Punjab, and certain religious emblems known as kirpans and safajungs were carried by all members of these jathas. The kirpan is normally a tiny miniature of a sword, whilst the safajung, prior to the agitation, was never seen; but now kirpans were worn the size of ordinary swords, while safajungs attained the dimensions of medieval battleaxes. Acts of violence became common and by the middle of 1922 the situation in the Punjab, particularly in the Central Punjab, was distinctly menacing. In the Doab comprising the Jullundur and Hoshiarpur Districts, the administration was strained to breaking point and finally troops and additional police had to be drafted into this area. In August 1922 occurred the great Akali demonstration at the Gurukabagh shrine near Amritsar. Some Akalis serving at the shrine cut down a tree on the land. The Mahant complained to the Police, and the Akalis were arrested and sent for trial. More trees were cut down; fresh complaints were made to the district authorities, and a detachment of police was sent to protect the Mahant. The Shiromani Gurdwara Parbandhak Committee took up the challenge and Akalis began to concentrate on Gurukabagh. The continued influx of these

bands, who were becoming a source of embarrassment alike to the public and district authorities, led to the placing of Police pickets along the roads leading to Gurukabagh so that parties, as they arrived, might be turned back. The bands were treated as unlawful assemblies, since their object was undoubtedly to take forcible possession of private property, and they were stopped at different points and directed to disperse. They refused to obey the order, and advanced upon the police pickets, whereupon they were dispersed by force. As each member of a Jatha, before setting out upon this enterprise, had taken an oath of non-violence, no resistance was made to the efforts of the police. The spectacle of the forcible dispersal of a number of people, who, although they advanced into contact with the police cordons, made no effort to defend themselves from the batons of the constables, shortly aroused considerable excitement in the neighbourhood. Exaggerated stories of wounding, assaulting and indefensible behaviour on the part of the police inevitably followed ; but their general falsity is shown by the fact that not a single fatality occurred as a result of the dispersals, while the number of authenticated cases of really serious injury was insignificant.

At much the same time a similar continuous and determined attack to capture another famous shrine was started at Bhai Pheru in the Lahore District of the Punjab, which continued for over three years and led to the arrest from first to last of about seven thousand persons. The year 1924 saw the rise of the Babbar Akali movement, which again had its headquarters in the Doab tract of the Punjab and was characterized by the murder and wholesale terrorising of Government helpers and sympathisers. Once more Government had to take extraordinary measures to prevent a breakdown of the administration in those parts. By this time the Sikh movement had become almost as embarrassing as the non-co-operation and khilafat movements had been, and the Government of India latter's attempts both to keep the movement in hand and to effect a satisfactory settlement. But the leaders of the Akali movement were for long quite intransigent and they managed to render unavailing the efforts of the Punjab Government to settle the points at issue by legislation. A proposal to form a Committee under the Presidency of General (now Field Marshal) Birdwood which should get into touch with all sections of Sikh opinion and try to formulate suggestions for a solution of the problem, was rendered sterile by the same influences. The spread of the movement into Nabha, a small Punjab Feudatory State, brought the Government of India into immediate touch with it. The events leading up to the deposition of the Maharaja of Nabha are detailed elsewhere. The Akali leaders professed to regard him as a religious martyr and at once began an agitation for his restoration. One of these meetings was held in the Gurdwara at Jaiton in Nabha State. At this meeting, which was ostensibly of a religious nature, strongly political and seditious speeches against the administration of the Nabha State and the action of the Government of India were made. The local Nabha State official was eventually compelled to arrest the speakers and to break up the meeting. Certain of the persons arrested were engaged in performing the ceremony of continuous reading of the Sikh scriptures. But this ceremony was not interrupted, for the place of the man momentarily engaged in reading the scriptures was taken by another individual who had undergone the proper purification ceremonies. The S. G. P. Committee, however, took

advantage of this circumstance to allege that their action in interfering with the affairs of the Nabha State was dictated by religious considerations. Daily Jathas of 25 men were accordingly despatched by the Committee to Jaiton with the ostensible object of continuing the reading of the scriptures which the Committee declared had been interrupted. The Nabha State authorities had no objection to the holding of religious services in the Gurdwara, but demanded undertakings from the daily Jathas that seditious speeches would not be delivered in the Gurdwara and that they should conclude the service within a reasonable time. As such undertakings were not forthcoming, the daily Jathas of Akalis were arrested.

These Jathas, however, proved an ineffective method of agitation and the S. G. P. Committee therefore decided to increase their size and a jatha of 500 strong vowed to non-violence and designated 'shahidi' (martyr) was despatched from Amritsar at the end of January 1924. It proceeded on foot to Jaiton, a journey of over three weeks, and arrived on the 21st February, the anniversary of the Nankana incident in 1921. Unfortunately, when the Jatha was within a few miles of Jaito, it was joined by a disorderly mob of several thousand persons armed with axes, swords, spears, and clubs. A number of bad characters carrying firearms also joined the mob, and this huge crowd advanced on Jaito, screening the jatha. When it arrived within a few hundred yards of the village, it was warned that if it did not halt, fire would be opened by the forces at the disposal of the Administrator. The mob was by this time in a highly excited condition, and this warning was disregarded. The crowd, worked up by now to a frenzy, charged down on the police and military posted to bar its progress. Several officials who had advanced to persuade the mob to halt were chased back to the troops at imminent peril to their lives. In order to stop the on-rush of the menacing horde of Akalis, fire was opened and the mob was dispersed with casualties amounting to 21 killed and 33 wounded. The firearms in the ranks of the mob were discharged and one Nabha villager was wounded while another received a bullet through his turban. The Jatha itself was not fired upon, but in the confusion casualties were inflicted on three or four of its members, who had mixed themselves up in the mob. Needless to say this event caused a profound sensation among different shades of Indian political opinion. The authorities were freely accused, first, of perpetrating a brutal atrocity; and secondly of misrepresenting the facts in their published announcements. The official account was however fully confirmed by a magisterial enquiry which was held a few days afterwards by a Sikh magistrate of the Punjab Provincial Service. A large number of persons were arrested; but all except about 100 of the worst offenders were released by the Nabha authorities. However, by 1925, the combination of circumstances had become favourable for a final settlement which was arranged after a series of conferences between the leaders of the Sikhs and selected Government officials, and embodied in the Sikh Gurdwaras Act, which was passed by the Punjab Legislative Council in July 1925 and accepted by the Indian Legislative Assembly in September. The Act arranges for the control of Gurdwaras by elected committees of Sikhs and for the release of Sikh prisoners with the exception of certain specified categories. The Act has proved satisfactory to the whole Sikh Community, save, of course, a handful of irreconcilables and it may be said that at the present moment (March 1926) the Akali agitation is a thing of the past.



Finally the last 3½ years have witnessed a steady increase in the old antagonism between Hindus and Muhammadans.

This new phase of the communal trouble began definitely with the Multan riots of September 1922 which were followed shortly by disturbances in the United Provinces where the old hatred flared up fiercely over an attempt of the important proselytising sect of Hindus, the Arya Samajists, to reconvert to Hinduism the Malkana Rajputs, a community who for centuries have counted themselves as Muhammadans. Throughout 1923 the tide of dissension rose steadily, the Punjab and the United Provinces in particular being kept in ferment, whilst every other province in India experienced the contagion to a greater or less extent. Cities of prime importance like Amritsar, Agra, Allahabad, Lucknow, Shahjahanpur, Jubbulpur, Panipat, Ajmer, and Saharanpur were the scenes of riots, in some cases of repeated riots. Throughout 1924 communal relations grew steadily worse. The Press of both sides threw off all restraints and gave way riots. Delhi, Lucknow, Nagpur, Allahabad and other important places saw riots. Delhi, Lucknow, Nagpur, Allahabad and other important places saw severe fighting between Hindus and Muhammadans, and the tale of casualties mounted. And 1924 was to see the worst and most bloody business of all save only the Moplah rising, the terrible riots at Kohat. In 1925 there were again riots in the Punjab, the United Provinces and other parts of India and at the moment of writing, March 1926, a debate in the Legislative Assembly on the extension of the reforms to the North West Frontier is being made a purely Hindu-Muslim question all over India and it seems almost inevitable that the next elections will be fought almost entirely along communal lines.

The wider implications of these unhappy differences were stressed by His Excellency in his speech at the opening of the Legislative Assembly on January 20th, 1925. "I need not assure you" he said, "that I and my Government have observed with the deepest concern the lamentable series of riots and disturbances which have resulted in so much loss of life and property and, what is perhaps even more deplorable, so much exacerbation of old animosities. We are profoundly impressed by the necessity of taking all possible action to relieve this atmosphere of tension and to avert or mitigate the disorders which it unfortunately generates. I know that these views are shared to the full by Local Governments. Nevertheless, I deemed it proper some time ago to invite their close and earnest attention to these matters, and I have every assurance that no effort will be spared by them or by their officers not only to avert temporary or local causes of trouble or to minimise its results, but steadfastly to promote permanent mutual relations of harmony and good-will. I am equally confident that all enlightened members of the communities affected equally deplore and are equally concerned in reconciling these unhappy communal dissensions. They will recognise with me that on a solution of these difficulties depend not only the present peace and prosperity of India, but also her future progress. I readily acknowledge that strenuous efforts have already been made, and are still being made, by leaders of Indian public opinion to establish more harmonious relations between these communities. I cannot too strongly affirm that this object is constantly and sincerely sought after by all responsible public authorities in India, but no measure, legislative or executive, however ingeniously devised, can be expected to produce immediate effect on the ancient and deeprooted

cause of these troubles. They can only be removed by the growth of a spirit of toleration and enlightenment. It cannot be denied that these animosities are a serious hindrance to the promotion of unity of aim in India, and that these quarrels and disturbances must inevitably retard political progress. Whatever differences may divide us in India, we must all agree that every effort should be made to prevent the recurrence of these communal troubles. In this field we can, and should, co-operate, and I trust that all members of these two communities and others, who are moved by humanity, public spirit and patriotism will join with me and the responsible authorities in India in earnest efforts to promote this spirit of larger tolerance and conciliation. If this object could be attained the distance along the road to political utility in India will be considerably shortened. Moreover, I venture to cherish the hope that the diffusion of this spirit of harmony and good-will may communicate itself to other regions of acute controversy, and that in due course of time, and aided by this brighter and purer light, the road may be more quickly found to peace and prosperity in India."

The strain which all these movements put on the administration can easily be conceived and they led between 1921 and 1922 to, perhaps, the greatest wave of crime which ever swept British India. Crimes of violence reached their height in 1922, but of these it is not possible to speak here. Undoubtedly the most serious after effect of these movements in the way of crime was the recrudescence of the revolutionary movement in Bengal. Early in the year 1923 Government received information that some ex-revolutionaries in East Bengal were again engaging in loot, and devoting part of it to political purposes. At the same time the desirability of renewing revolutionary activity on the old lines was being discussed. From the beginning of the hot weather a series of armed dacoities, culminating in the murder of the postmaster of the Sankaritolla Post Office in broad daylight, took place in Calcutta and its outskirts, in which the methods employed were remarkably similar to those of the old revolutionary gangs. The arrest of the murderer and the receipt of further definite information enabled a conspiracy case to be instituted against certain persons. The situation began to assume a serious aspect, as Government became possessed of evidence of the existence of a wide-spread revolutionary conspiracy. In August 1923, in proroguing the Bengal Legislature Lord Lytton, the Governor of the Presidency, pointed out the implications of the movement. He stated that organised revolutionary societies, of which Bengal has had such an unhappy experience, had once more come into existence. It was no case, he continued, of mere political opposition, of criticism of Government or of seditious propaganda. There was a conspiracy of dangerous, fanatical criminals, among whom violence was an acknowledged creed, and terrorism a deliberate policy. The Governor's speech led to considerable comment, much of which revealed scepticism as to the seriousness of the situation. But by the middle of September it became apparent to the authorities that strong measures alone could avert another outbreak of political crime and assassination. Resort was had to an emergency law, and the detention of some of the more prominent members of the revolutionary movement was sanctioned. This step excited unfavourable criticism among many sections of the public, who were reluctant in the first place to believe that matters were as bad as Government maintained, and in the second

place viewed with disfavour the detention of individuals without trial. Even in the Legislative Assembly the Bengal Ordinance was regarded as a measure of mere repression and in his speech at the opening of the Delhi Session on January 20th, 1925, Lord Reading devoted considerable space to its discussion. "You are aware", he said, "that His Excellency the Governor of Bengal has exercised the powers conferred upon him under the Government of India Act and has certified and signed the Bill. I take this opportunity of stating that His Excellency's action in this respect has my full approval and that I shall support both him and his Government to the extent of my powers in meeting what I regard as a serious emergency..... Past experience of the Government and the conclusions of the Rowlatt Committee point to the fact that to check conspiracies of this nature with success two features are essential. In the first place, the organisations must not know that general action of a special nature is under contemplation against them, and, in the second place, the method of working and sources of information must not be endangered directly or indirectly. Any rashness or carelessness on these points may make future action entirely fruitless and completely nullify the object to be secured. If discussions in this Legislature had taken place, these conditions could not have been fulfilled and the Ordinance would have proved futile as a remedy for the disease.

There is, I regret to say, a tendency among some sections of public opinion in India to confuse all administrative acts with influences having reactions on desires for political progress. The repression of violent crime has, however, no affinity with the treatment of aspirations for advance. They have no resemblance in kind or degree and they are phenomena existing on entirely different planes.

Terrorism no doubt may sometimes batten on a section of political thought. It may expand like some foul parasite-growth deriving strength from living sources outside its own entity. It may flourish for a time in this conjunction if it can cajole or frighten a political party into acquiescence or into encouragement of its activities; but no political party can continue to live with terror for a friend. The parasite will kill the host. True political progress can have no lot or part with terrorism. Whatever differences of opinion may exist between me and my Government and sections of public opinion regarding the Ordinance, I trust that the Members of the Indian Legislature will realise that my action was taken only after the most careful examination of the whole situation and with the sole object of preventing violent crime." The use of the Bengal Ordinance has checked the Revolutionary movement for the present.

Such in very broad outline is the story of the Indian Government's fight against anarchy during the past five years. Inevitably this fight has engrossed a very large part of Government's energies and resources. Nevertheless there has been a large amount of constructive and administrative work achieved.

Of this, perhaps, the most important has been the readjustment of the conditions of service in the great Imperial Services of India to meet the conditions of the present day, and the striking advance made towards the Indianisation of those services, a process which will go on with increasing momentum in future years. The Members of the Indian

Services, were in 1921 still suffering from the strain of the war and its aftermath in India. Owing to the inevitable absence of recruits during the greater part of the war they had had to work shorthanded, their financial position, of course, had deteriorated, and particularly in the Indian Civil Service and the Police Service, they were the especial object of the fierce racial feeling which swept India in the years immediately succeeding 1919. Thus when the Secretary of State in November 1921 announced that officers who were dissatisfied with the conditions of service under the Reformed Constitution were to be allowed to retire on proportionate pension, there was a somewhat disturbing response to the offer. No fewer than 287 officers asked for leave to retire on these terms before the end of 1923, and of these 69 belonged to the I. C. S. and 97 to the Police. The whole subject of their future recruitment, their terms of service and their place in the Reformed Constitution of India had therefore to be considered by Lord Reading and his Government. The famous "O'Donnell circular" was issued at the end of May 1922. This document reviewed, and invited the opinion of the Provincial Governments upon, the various considerations involved in the question of Indianisation in order that the Government of India might consider the whole position. The letter which had not been written for publication, was given to the world through journalistic enterprise; and at once certain sections of opinion, both in England and in India, began to accuse the Indian Government of betraying the cause of the Europeans in the services, and of jettisoning, for political considerations, the responsibilities which Great Britain still retains for the welfare of the people of India. This agitation, together with the existing anxiety regarding the future of the services, led Mr. Lloyd George to deliver a speech early in August, in which he declared that the Civil Services of India were the steel frame of the whole structure of administration. He stated that the constitutional changes recently made in India were the result of an experiment; that he could not predict the influence which non-co-operation would exert upon the next elections; and that if there was a change in the character of the Legislature and in the purpose of those who were chosen to sit therein, the new situation would have to be taken into account. He declared that His Majesty's Government would stand to their responsibilities in India, and would take whatever steps were necessary to discharge or to enforce them. He further went on to say that he could see no period when India could dispense with the guidance and the assistance of a nucleus of the British Civil Services. The continued assistance of British Officials was, he said, necessary to bring about the discharge of Britain's great trust in India; and it was not in order to relinquish this trust, but to bring India into partnership in its discharge, that the Reforms had been introduced.

This speech gave rise to great misapprehensions in India which His Excellency was at pains to dispel in his reply to an Indian deputation on August 19th, 1922.

"But in my judgment, and as I have understood the speech there is no real ground for this sombre and almost sinister view of the Prime Minister's language. You will, I am sure, agree with me that the meaning the Prime Minister intended to convey to his audience and to India cannot properly be gathered from selected isolated passages, but must be taken from the whole speech and with due regard to the

circumstances that led to its delivery and the purposes the Prime Minister sought to achieve. I have studied the speech and have re-read it by the light of the fierce criticism directed in India against it, and I remain of my first opinion and am unable to accept the meaning attributed to it in many quarters. Let me tell you how I understood it. When I read the text of the speech, and particularly in the light of the debate in the House of Commons, I concluded that the Prime Minister intended to serve two purposes : the first, to utter a note of solemn warning to those who, after the next election might intend to pursue the deliberate policy in the Legislature of paralysing the activities of Government, of rendering it impotent and reducing administration to chaos. Please observe that his note of warning is directed to the actions of those who may wish after the next election to wreck the Reforms. It is given not for the purpose of indicating a change in the future policy of His Majesty's Government but with the object of concentrating attention upon the mischievous consequences of the threatened action. You will remember that a section of those who are avowedly hostile to the Reforms advocate the plan of becoming members of the Legislature in order that they may destroy it and the Reformed Constitution.

The Prime Minister's second purpose, as I understood it was to give confidence to the members of the Civil Service, who have played and still play so great and important a part in the administration of India, to allay their apprehensions regarding their emoluments and pensions and general position since the Reforms, and to assure them of his sympathy in the performance of their trust and in the difficulties that confront them owing to changed conditions and increased cost of living, etc. It is common knowledge that there is now in England a marked disinclination to enter the Indian Civil Services. This has seriously disturbed those of us who have great faith in the Services and realize their importance in the progress and development of India. I do not pause here to discuss the changed conditions. I merely refer to them at this moment for the purpose of understanding the Prime Minister's speech. It is I think obvious that these were the objects in the Prime Minister's mind when he addressed the House in reply to speeches made by Hon'ble Members upon Indian affairs. I have some experience of the House of Commons and also of the Prime Minister, and I can assure you that had he intended to announce or indicate a change of policy of His Majesty's Government he would not have failed to make his meaning clear, and he would have left no room for argument regarding his intentions. No speaker is more capable of expressing himself lucidly and forcibly. If I had had any doubt as to his meaning it would have been removed immediately. I read the account of the debate in the House. What happened ? After the Prime Minister had threatened to withdraw the Reforms, Sir Donald Cadeau, who had also heard the speech and is opposed to the Prime Minister and his Government and who is one of the leading Members of Parliament and of the Liberal Party, immediately dissented from this view and gave his interpretation of the speech, to which, as publicly reported, Mr. Lloyd George nodded assent. Lord Winterton, the Minister in charge of Indian affairs in the House of Commons, gave most complete and unqualified denial to the suggestions of Colonel Wedgwood, and here again, the Prime Minister, seated on the Government Bench, in the presence of the members of his Government and of the House of Commons, made a gesture of assent which

again was publicly reported, so that in the presence of his colleagues and of the assembled House the Prime Minister immediately repudiated the intentions imputed to him. Surely this is conclusive, and any ambiguity of language which may have existed, ceased to have importance.

But on so grave a matter there should not be room for the faintest possibility of doubt, and I therefore placed myself in communication with the Prime Minister who authorizes me to say that nothing in his statement to the House of Commons was intended to conflict with, or to indicate any departure from, the policy announced in the formal declarations and His Majesty's proclamations. I trust therefore that the speech either did mark, or was intended to mark, a change of policy by His Majesty's Government. You have sought to ascertain whether there was any ground for the fears and apprehensions that beset you and others by reason of certain particular passages and expressions in the Prime Minister's speech. The answer is given in plain and unequivocal terms and should end controversy as to the meaning the Prime Minister intended to convey."

In the upshot it was decided in 1923 to appoint a Royal Commission on the Superior Civil Services in India under the Presidency of Lord Lee of Fareham to enquire into (1) the organisation and general conditions of service, financial and otherwise of those services, (2) the possibility of transferring immediately or gradually any of their present duties and functions to services constituted on a provincial basis, (3) the recruitment of Europeans and Indians respectively and the best methods of ensuring and maintaining such recruitment.

The Commission published its Report in March, 1924. So far as future organisation was concerned, the recommendations centred round the plan of entrusting to local Governments future recruitment for the services operating in the Transferred fields of education, agriculture, veterinary, forests (in Bombay and Burma), and of certain branches of engineering. The effect of these recommendations, which were adopted by the Secretary of State is that recruitment to these Services will, in future, be made entirely by or on behalf of local Governments. The Commission further proposed that the control of certain central Services should be transferred from the Secretary of State to the Government of India, and that for the Services which will remain on an All-India footing, and under the ultimate control and protection of the Secretary of State, a large increase in the proportion of Indian recruitment should take place. This recommendation has also been accepted by the Secretary of State and in future the proportion of Indian recruitment to the Indian Civil Service and the Indian Services of Engineers will be 60 per cent. to the Indian Police Service 50 per cent., and to the Indian Forest Service 75 per cent. The economic grievances of the Services had been a primary cause of the appointment of the Commission, and these proposals for reorganisation were accompanied by arrangements for financial relief. The Commission proposed that Overseas pay should be slightly increased and the officers of non-Asiatic domicile and over five years' standing should be permitted to draw their Overseas pay in London in sterling converted at the rate of 2 shillings to the rupee. This recommendation was substantially accepted, although modified by the decision that the Overseas pay instead of being stated in rupees and remitted at a favourable rate, would be

stated in sterling. A Passage Fund has also been instituted on which officers of non-Asiatic domicile are permitted to draw for a certain number of free passages (at a certain standard) for themselves and their families. On two points a departure was made from the Commission's proposals. The suggestion that enhanced pensions should be given to the holders of certain high appointments was not accepted on the ground that this was a departure from the general principle that relief should be granted only where absolutely necessary. On the other hand, some alleviation was felt to be desirable for certain officers above the time scale as regards whom a division of opinion had manifested itself in the Commission, and such officers who were in receipt of pay not exceeding Rs. 3,000 a month have been granted a sterling addition of pay amounting to £13-6-8 per month. Other recommendations of the Commission in regard to such matters as House Rents, Family Pension Funds, Civil Medical Organisation and also the application of the recommendations to officers holding specialist and miscellaneous appointments, have been granted or are still under consideration. Other recommendations referred to the establishment of a Public Service Commission to regulate recruitment and to safeguard the discipline of the Services ; to the provision of increased security of tenure, and to the protection of the Services in the enjoyment of their rights and privileges. The formation of the Public Services Commission is expected to be announced shortly.

It may be said generally that the work of the Commission has stabilized the position of the Services and given relief and encouragement to their members. As compared with a few years ago, there is a general feeling of security now among Government officials in India and of this, one very welcome result has been a revival of the popularity of the Indian Civil Service among the best graduates of the British Universities, particularly Oxford and Cambridge. The candidates at the examination held in England last summer were up to the old pre-war standard.

Since the beginning of 1921 there has been considerable overhauling and revision of the law in India with a view to bringing it abreast of present day conditions and making it a more exact instrument of Government. Of the many important changes which have been made, only one or two can be mentioned here. The Racial Distinctions Legislation has been already mentioned and all that need be said in this place is that it has provided a solution satisfactory to the sentiment of both Europeans and Indians of an anomaly of long standing. For some years prior to 1921 it had been felt that the administration of Civil Justice was not equal to the demands made upon the courts and that some improvement was imperative. The question was brought to a head by a judgment of the Privy Council in November 1921 in which they strongly commented upon the delays in civil litigation in India. The question of preventing such delays was thoroughly examined by the Government of India who came to the conclusion that though efforts had not been lacking to expedite the course of civil justice, litigation was still subject to such delays as tended to cause some lack of confidence in the administration of justice, which must inevitably retard the commercial and industrial development of India. They accordingly addressed the local Governments in June 1923 on certain aspects of the administration of civil justice, namely the delay in the disposal of suits and appeals and the unsatisfactory results obtained in the process of the execution of decrees, and

suggested the appointment of a committee to consider the whole question. The local Governments accepted this suggestion, and accordingly by a resolution, dated 24th January 1924, the Governor General in Council appointed a committee:—

“ To enquire into the operation and effects of the substantive and adjective law, whether enacted or otherwise, followed by the Courts in India in the disposal of civil suits, appeals, applications for revision and other civil litigation (including the execution of decrees and orders), with a view to ascertaining and reporting whether any and what changes and improvements should be made so as to provide for the more speedy, economical and satisfactory despatch of the business transacted in the Courts and for the more speedy, economical and satisfactory execution of the processes issued by the Courts.”

The constitution of the Committee was as follows :—

The Hon'ble Mr. Justice G. C. Rankin, Bar-at-Law, Judge, Calcutta High Court .. Chairman.

The Hon'ble Mr. Justice L. Stuart, C.I.E., I.C.S., Judge, Allahabad High Court.	} Members.
Dr. F. K. DeSouza, I.C.S., Bar-at-Law, District and Sessions Judge, Bombay Presidency.	
Diwan Bahadur Sir T. D. Achariyar Avargal, Kt., Vakil, Trichinopoly.	

Mr. C. V. Krishnaswamy Ayyar, Sub-ordinate Judge, Madras Presidency .. Secretary.

The Chairman was authorised to co-opt as members practising lawyers and officers nominated by the local Government in the province visited, and also to co-opt such members when considering its report.

The Committee submitted their Report in January 1925. Their investigations revealed that 22.19 per cent. of the total number of suits before the courts in 1922 remained pending at the close of the year. As regards the extent and causes of delays in the disposal of suits, the Committee arrived at the conclusion that the situation in Bengal, Assam, Madras, Bombay and Sind was serious. They found that the mass of arrears at present accumulated took the heart out of presiding judicial officers in the most litigious districts, and was leading to lack of proper supervision in several directions. Litigation was found to show no signs of decreasing and in particular parts it was noted that commercial cases were growing in number and importance. As a result of their investigations the Committee made comprehensive proposals to meet the situation. The examination of these proposals is proceeding. Speaking on this subject at the opening of the Simla Session of the Indian Legislature on August 20th, 1925, Lord Reading said :—

“ The action taken by my Government on the report of the Civil Justice Committee presided over by Mr. Justice Rankin will be a matter of interest to you. I have no doubt that many of you have studied that report and recognise the wide extent



of the ground it covers. Many of the recommendations can be put into effect by Local Governments, High Courts and the presiding officers of the Courts of justice throughout the country. In some cases we have decided to reduce the proposals of the Committee to the concrete form of Bills which will come before you during this Session. In others we have addressed Local Governments and High Courts, and shall prepare Bills for your consideration after we have received their opinions. I have mentioned before the great importance which I attach to the work of this Committee and the value of the reactions which must follow on improvements in the machinery for the administration of civil justice. I wish now to express my high appreciation of the work which has been performed by the Chairman and members of the Committee and by the co-opted members, non-official as well as official."

The Indian Penal Code, the Code of Criminal Procedure and the Code of Civil Procedure have all been the subjects of improvement and modernization during the last five years.

Commercial and Industrial Law no less than the fundamental law of India has been revised and brought up to date during the past few years or is now in process of being brought up to date. Speaking at the opening meeting of the Associated Chambers of Commerce at Calcutta on December 15th, 1924 Lord Reading gave a description of some of his Government's activities in this respect.

"I have been somewhat disappointed as regards the delay in the revision of the Insurance Law in India. The draft bill, which was intended to regulate all forms of insurance in India has been ready for some time ; but my Government after its preparation received information that the Board of Trade has appointed an expert committee in England to consider the English Assurance Act on which our law in India is based and to report what alterations are required to bring it into accord with modern requirements. It is obvious that the Government must await the results of the expert examinations now being conducted in England before proceeding with our own bill.

I know that your Chambers consider the question of ports and shipping to be of first importance. You will have observed that my Government has recently held a conference on the subject. There has been some misconception as to the scope of that conference. Let me make it clear that the conference was only a preliminary conference regarding this very difficult and important subject. My Government is engaged on overhauling the merchant shipping law in India, much of which dates from a period anterior to 1897 and is in some respects, as you are aware, out of date and sadly in need of amendment. There is in addition the question of the connection of the Central Government with the direct administration of Navigation, Ports Shipping and Port Trusts and the method by which these matters can be controlled and administered. Future development and improvement must largely depend

for its success on the establishment of a clear and well defined system of administration and recognition of spheres of responsibility. Before constructive changes could be devised it was necessary to explore these difficult subjects, to clear up misunderstandings and to arrive at some provisional conclusions in discussion with provincial representatives. By this means alone could the useful work of revision of our Shipping laws proceed. The result of the preliminary conference, I am glad to say, has been satisfactory and several misconceptions have been removed and a clearer vision of the main principles involved has been obtained. My Government is now in a position to be able to begin to formulate concrete proposals. I need scarcely add that when proposals have been formulated, the local Governments and commercial communities will be given the fullest opportunity for examination, criticism and suggestion."

In 1923 the Reforms were extended to Burma. The report on Indian constitutional reforms expressly reserved the problem of Burma for separate consideration. The Joint Committee, however, in their report on the Government of India Bill expressed the opinion that the Burmese should receive a constitution analogous to that provided for their Indian fellow subjects, and the question was taken up by the Reforms Office in January 1920. A scheme was formulated in consultation with the local Government, and the proposals of the Government of India were forwarded to the Secretary of State in March 1920. These proposals were, however, not accepted by the Secretary of State who, with the approval of the Joint Parliamentary Committee, decided to apply the Government of India Act to Burma by a notification under section 52A of that Act. Accordingly a notification constituting Burma a Governor's province was issued on the 7th October 1921. Under this notification the minimum percentage of elected members under section 72A (2) of the Act was cited at 60 per cent. and the number of members of the Burma Legislative Council at 92. The annual salary of the Governor was fixed under the Act at 1,00,000 and that of the members of the Executive Council at Rs. 60,000.

In order to work out details a Committee was appointed and requested to advise as to the rules which should be made in order to apply the provisions of the Government of India Act relating to Governors' provinces, as modified by the notification, to Burma. In particular were to be considered such points as the franchise, the possibility of direct election, the representation of minorities and backward classes, communal electorates, the possibility of proportional representation and the size of the Provincial Council.

In making their recommendations the Committee was asked to have regard to the observations of the Standing Joint Committee on Indian affairs in their second report and to the principles and details embodied in the electoral rules for other provincial councils framed under section 72A of the Government of India Act in so far as they find in these rules materials for its guidance.

It was added that the devolution rules already demarcated a division of functions between the Government of India and the Provincial

Government in Burma, but that in view of the isolation of Burma from the rest of India it might be found desirable to recommend in particular an amendment of this division which would have the effect of changing certain central subjects into functions of local Government and local legislature in Burma, *i.e.*, transferring certain subjects from the Central to the Provincial list. The Government of India received the Committee's report with the local Government's comments thereon at the end of December 1921. The following were the main features of the recommendations of the Committee :—

*Legislative Council.*

- (a) The franchise qualifications were based on the payment of capitation tax in Lower Burma and the *thathameda* tax in Upper Burma. The effect of adopting this basis of qualification for the franchise meant the practical enfranchisement of all heads of households.
- (b) It was recommended that the minimum age for electors should be 18 instead of 21 in other provinces.
- (c) Reserved seats were recommended in the case of Indians and Karens, and communal representation in the case of Europeans and Anglo-Indians.
- (d) Sex disqualification was not recommended in the case of female electors.
- (f) The total strength of the Council was fixed at 103 of which 79 were to be elected seats.

Under this scheme the Committee estimated that roughly 3 million people would be enfranchised.

*Legislative Assembly and Council of State.*

The Committee did not recommend any additional representation for Burma but the franchise qualifications were considerably reduced.

*Division of Functions.*

Owing to the special circumstances of Burma both the Committee and the local Government recommended that the following subjects should be transferred subjects in Burma instead of reserved subjects as in other provinces :—

(1) Forest, (2) European Education, (3) Regulations of betting and gambling, (4) prevention of cruelty to animals, (5) protection of wild birds and animals, (6) control of dramatic performances and cinematographs, and (7) Pounds and prevention of Cattle Trespass.

*Excluded Areas.*

The Committee recommended that (1) Shan States Federation (2) the Hill District of Arakan (3) The Chin Hills district (4) the Pakokku Hill Tracts (5) The Somra Tract, (6) The Shan States of Hasawngsup and Singkaling Hkamti, (7) The Hill tracts of the Myitkyina, Bhamo and Katha districts and (8) the Putao district should be declared " backward tracts " under section 52A (2) of the Government of India Act.

The Government of India supported all the proposals of the Committee and the local Government to the Secretary of State except as regards the franchise scheme in which certain modifications were proposed. The Secretary of State, however, did not accept these modifications. The necessary rules to give effect to the proposals were duly laid before the Joint Committee and Parliament and were approved by them. The notification constituting Burma a Governor's province was brought into force on the 2nd January 1923.

Throughout these years, in ways too numerous to be mentioned here, there has been a steady overhauling and adjustment and expansion of the administrative machine to meet the needs of the new form of government called into being by the 1919 Act, and with the position of the services stabilized, as we have seen, there is little reason to doubt that no extensive changes will be necessary for some years to come.







